THE FREEMAN

IDEAS ON LIBERTY

Restoring Parental Responsibility for Education

How to Separate School and State: A Primer

Education: What About the Poor?

Teachers Unions: Are the Schools Run for Them?

JULY 1996

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IDEAS ON LIBERTY

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PERSPECTIVE

It's No Manufactured Crisis

A recently published book claims that the growing discontent about public, or government, schools is the result of a "manufactured crisis." The authors of the book by that name, David C. Berliner and Bruce J. Biddle, maintain that there is no evidence that the schools have declined since the golden era of the 1950s or earlier decades. That being the case, they say, radical reform of education is unwarranted. They go on, perhaps inconsistently, to call for their own reforms, including more money for the public schools, but leave that aside. Let's accept their dubious thesis purely for the sake of argument. What's wrong with it?

It's a non sequitur. It implies that the only reason to consider radically changing the schools is the quality of the education. But that is not the only reason, and it is arbitrary to assume so. In other words, even if—and this is an oversized if—we could expect no improvement in education from radical restructuring, there would still be an incontrovertible case for it. We advocates of total privatization of education must make that clear.

There is only one path that radical restructuring can take. As we all know, the word *radical* refers to *root*. What is at the root of so-called public education? Simply this: someone other than parents makes all the big decisions about children's education. Think about it: government officials determine where a child goes to school, how many hours a day, how many days a week, how many weeks a year, and how many years. Those officials determine what the child will study and when. (On what grounds are all those elements decreed to be the same for all children?) Sure, some minor variation has been allowed here and there as complaints against the schools have mounted. But at its core the system has not changed since the 1840s when Horace Mann's first Prussianized common schools came into being in Massachusetts.

School officials never tire of saying they need the support of parents. They mean that

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parents must make sure their children do their homework and listen to the teacher and the principal. In other words, the schools want the parents to be cheerleaders. Cheerleaders of course stand on the sidelines. Oh, yes, parents also get to vote for the school board in democratic elections. Democracy is that system of political governance in which the ayes have it and the nays get it.

Why do we tolerate a system in which parents are shoved aside in one of the most important matters affecting their children? Partly because people have been persuaded that education is too complicated for lay parents. Experts are required. That is nonsense, of course, but the school lobby has effectively propagandized the American people for about 150 years.

Thus, radical restructuring would strike at the root: forced parental irresponsibility. It would restore responsibility by putting the decisions back into the hands of parents. With respect to their children's education, they would trade their cheerleader's pompoms for the coach's whistle. That's as it should be.

Sue Blevins, a medical writer, has suggested a valuable distinction that fully applies to education. She says that true reform would establish not choice but freedom. At first that may sound like a distinction without a difference. It's not. *Choice* has become the brand name for political contrivances under which people are permitted to choose from a menu of options drawn up by bureaucrats. By definition, a menu is limited. You can't have what's not on the menu. Choice is arbitrarily constricted. It is an illusion of freedom. The problem is that the authors of the menu act as if they and only they know enough to decide what goes on the menu and what does not.

In contrast to choice, freedom is open-ended. It enables people to engage in what Israel Kirzner calls entrepreneurial discovery. How do we know that some unlikely entrepreneur won't offer an educational service that is precisely what a particular child needs and his parents want? We don't. Choice precludes that option. Freedom does not.

The current system, in which parents are on the sidelines, also makes possible those grand experiments involving the latest pseudoscientific theories being ground out of the schools of education and departments of sociology. Last year the state of California confessed that its decade-long experiment with the whole-language method of reading instruction was a failure. It was, the superintendent of public instruction said, an honest mistake, and she was sorry. Can you imagine an error afflicting millions of children over ten years in the context of freedom-based education? Impossible, precisely because decisions would be made at the family level, where the number of children is small and the feedback is fast and accurate.

Enforced parental irresponsibility and fitful experimentation on children—those are the hallmarks of the government school system. To put it bluntly, public education treats parents like children and children like guinea pigs.

No wonder there is every reason to believe that parent-child-driven education is superior to a government-driven education. No wonder homeschoolers do so well. But even if that were not so, it would in no way upset the argument that parents have a right to make the education decisions for their children. They have a right to freedom even if it could be demonstrated that government schools were better!

The upshot is that parents not only have the right to choose a better education for the children; they also have the right to define the words "better education" for their children. Conversely, the opponents of freedom don't merely demand the authority to guarantee all children an education; they also demand a monopoly on defining the word. The two must always go together. That's what's wrong with the system.

—SHELDON RICHMAN
Guest Editor

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THE FREEMAN
IDEAS ON LIBERTY

Restoring Parental Responsibility for Education

by Marshall Fritz

I would like all children to enjoy the benefits of schools chosen by their parents. If we learn a lesson from our own history it could be possible in very short time. In America we don't use the government to run the churches, and considering our diversity, we have admirable religious harmony. I am a religious man, but I think this "hands off" policy is America's greatest gift to the human race. Now, in the mid-1990s, I believe the miserable condition of our "public" schools has us poised to consider another great gift to ourselves and the entire human race: the separation of *school* and state. To show why separation is necessary, I'd like to tease some insights from the origin, meaning, or misuse of several words.

Marva Collins, founder of Westside Preparatory School in Chicago, has gained international fame as an educator for what she has done with public-school castoffs. I've seen her in action, and she gives them what she has plenty of, courage. She "encourages" them to do their best, and they do. In English the *en* prefix can mean to provide, transfer, or somehow evoke or instill. Marva likes to say, "If it ain't caught, it wasn't taught." In other words, if the children aren't "getting it," the person in front of the class is a talker, not a teacher. Some talkers admit the distinction by saying they "covered the subject" as opposed to "taught a lesson." Professor Howard Hendricks of Dallas Theological Seminary says that distinction is easy to grasp in Hebrew because that language has no distinct word "to teach." Instead, a form of the word "learn" is used to mean "to produce learning." We could translate it more correctly if we had the word "enlearning." Indeed, we could avoid some mistakes in education if we replaced the word *teaching* with *enlearning*. Because we "teach what we are," a person who tries to enlearn values he does not hold is simply enlearning hypocrisy.

Mr. Fritz is the founder of the Separation of School and State Alliance, Fresno, California, and the former principal of Pioneer Christian Academy.

Flattery Through Imitation

People have long pondered why parent-funded private schools seem to work fairly well for their constituencies and tax-funded public schools seem to be going downhill at an increasing speed. In fact, public-school educators are scrambling to imitate the non-essential features of private schools. Some call for uniforms, some want "values" programs, all clamor for fewer layers of administration in their hopes to reverse their downward plunge. The stampede has gone so far that even union leaders are calling for "public schools . . . to emulate some of the desirable features of private schools: small size of schools . . . ; more choice and market dynamics; . . . the right to set and

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enforce high standards of conduct." (Adam Urbanski, vice president of the American Federation of Teachers, *Education Week*, January 31, 1996, p. 31) While Urbanski tiptoes with, "It will take a lot to make public schools more effective for all students," Albert Shanker, president of the American Federation of Teachers, deserves outright praise for his bold statement in the *New York Times*, "The schools will have to change. Otherwise public education will continue its present course to destruction." (October 15, 1995)

Meaningless Names, *Public* and *Private*

One linguistic barrier to understanding our education woes comes from the very names we give to our schools in America, "public" and "private." The truth is, most private schools are far more open to the public than are district-bound public schools. "Public" schools always ask about your residence and, in some cities, your race. If you live on the other side of some imaginary line, you are outside their "catchment area" and are typically refused entrance. Further, school districts that are trying to achieve racial balance may deny your children access to a "public" school for racial reasons. Lowell School in San Francisco, for instance, is a magnet high school that the district leaders have decided has "too many Chinese." Thus some Chinese are turned away to make room for non-Chinese. "Private" schools, on the other hand, typically accept children from anywhere in or out of town. If they do have a racial preference/discrimination policy, they keep it hidden because they know it is wrong.

David Kirkpatrick, former state president of the Pennsylvania affiliate of the National Education Association, makes an interesting observation: the most expensive "public" schools in America hire reverse truant officers. That is, they ferret out children from inferior districts who pretend to live in better districts so they can attend those schools. The reverse truant officers follow children home and even stake out train stations to apprehend the desperate infiltrators. Compare that to the most expensive "private" schools in America. They have active scholarship programs and recruit motivated children from the inner city.

The Missing Link: Responsibility

What if, from the beginning of the government-school era in the 1830s and 1840s, we had referred to the two types of schools as "tax-funded schools" and "parent-or-charity-funded schools" (hereinafter shortened to "parent-funded")? One thing for sure: as "tax-funded schools" became the mess they are today, we would dismiss anyone who said he had a wonderful way to extend tax-funding to parent-funded schools. We'd see right through clever names such as "charter" and "voucher" and wonder why authors of such plans would risk the ruination of parent-funded schools by sneaking tax-funding into them. We'd instinctively defend the integrity of parent-funded schools because the very name would help us to think straight.

In their call for "market dynamics," union leaders miss the real secret of success of parent-funded schools: parental responsibility. Conservatives who tout "choice" make the same mistake, says former school board member Jack Simons of Sheffield, Vermont. Simons uses food stamps to illustrate the hollowness of mere "choice" without responsibility: "Some Subway Sandwich shops now accept USDA food vouchers for cold sandwiches not to be eaten inside. If choice is so all-fired important," asks Simons, "why not man the ramparts demanding that the poor be given the 'choice' to use their food stamps to buy hot food and even eat it inside?"

The late Max Victor Belz, a grain dealer in Grundy County, Iowa, helps us reorient from choice to responsibility in his pithy comment, "I don't want my children fed or clothed by the state; but if I had to choose, I would prefer that to their being educated by the state." "Responsibility" is the key difference between tax-funded and parent-

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funded schools. Parent-funded schools have a high percentage of parents who are fully exercising their parental rights in education, and tax-funded schools have few such parents. I know this is a harsh indictment, and it is aimed at myself as well as millions of others.

Parents who sacrifice to put their children into a parent-funded school remain fully potent. They are capable of exercising their parental rights—they can move their child from one school to another with little or no financial pain. On the other hand, parents at tax-funded schools are almost impotent because they are unaccustomed to being financially responsible for their children's education. They will incur a huge financial burden to remove their children from a tax-funded school, either in the form of tuition or the expense and inconvenience of moving to a different district.

Parent-Funded Schools and Sacrifice

Like investors and entrepreneurs, those who "sacrifice" defer gratification. The original meaning, to make holy by offering to a deity, grew into a parallel secular meaning, "to give up something you value now for something that you value more later." For instance, in baseball, intentionally flying out in order to score or advance a base runner is called a "sacrifice fly" because, before 1894, it counted against the batter's average. The batter sacrificed something he valued, his batting average, for something that he valued more—an improved chance for his team to win the game.

In that sense, parents who directly provide for their children's education sacrifice. That act both reflects and influences their attitude about their children's education. In contrast, paying taxes, just like forking over your wallet to a mugger, is neither investment nor sacrifice. One is not deferring gratification, but merely avoiding pain. Coercion is central to the financing of tax-funded schools, whereas deferred gratification, usually based on hope and love, is the financing source of parent-funded schools.

The call by some conservatives for "parental rights" without a companion call for "parental financial responsibility" is the same "gimme attitude" that drives the liberals' call for "welfare rights." Let's recall columnist Joseph Sobran's insight: " 'Need' now means wanting someone else's money. 'Greed' means wanting to keep your own. 'Compassion' is when a politician arranges the transfer."

Now a fatal flaw in American tax-funded schools becomes evident. Most of us were sold a lie. We were snookered. We bought into a *bogus* right. Starting in the 1830s, Americans were talked into believing that children have the right to an education at their neighbors' expense through the force of taxation.

Why is this a lie? Let's go back to the *en* prefix. Marva Collins has courage, so she can encourage children. On the other hand, a depressed person has little life, so he can't enliven a party. A person without title to his neighbor's property cannot "entitle" himself to it. Remember Frederic Bastiat's insight that if it is wrong for a citizen to steal directly from another, it is equally wrong to steal indirectly by using government as a middleman.

The Only Cure for Irresponsibility

It is apparent why we have such an epidemic of parental irresponsibility: government has become the great enabler of irresponsibility and dependence. How to begin to cure it? The only way to teach responsibility is to (a) demonstrate it yourself, plus (b) require others to pay the price of irresponsibility. One of my co-workers, Sharon Karraker, described our society's alternatives precisely: the fear of what might happen as we return to parental responsibility is nothing compared to the knowledge of the mess we'll be in if we stay on our current course.

Simply put, parent-funded schools have love as part of their culture; it starts with their financing. Tax-funded schools have

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coercion as part of their culture; it also starts with their financing. In education, like so much of life, love works. Coercion doesn't. Without love, all the rest is pretty much folderol.

We Americans can be proud that our forbears had the wisdom and courage to end government-compelled church funding, attendance, and practice. Similarly, government must be prevented from compelling school funding, attendance, and curriculum. Only with the separation of *school* and state can we re-establish parental responsibility, protect parents' rights, and enable schools, teachers, and students to flourish in an environment of educational freedom. □

Kicking the Habit

I am an addict.

It is hard to stop being dependent—to be free of the addiction. I did it for a year but have gotten hooked again.

Fortunately, the addiction isn't alcohol or drugs. But it is damaging, I believe, to the spirit. I am on welfare and find it difficult to get off. The worst part is, I can afford to get off with some sacrifices, but haven't.

Welfare was easy to get on. My parents were on it. It seemed a normal way of life. Most people accept it and even encourage it. This is not surprising since 88 percent of the families in this country take this form of welfare.

The type of welfare that I am on is "education welfare." Yes, I send my kids to government-run/government-financed schools. I could make sacrifices and pay for my kids' education rather than use taxpayers' money. But it is too easy—even socially acceptable—to take education welfare.

What I find so amazing is the encouragement of people to be on this form of welfare. The year that I sent my son to a Christian school, some of the administrators looked forward to the day when they could accept vouchers. Vouchers are just like food stamps, except everyone with children will get them. I expect more from my fellow Christians than to encourage dependence. The use of vouchers will likely hook most of the twelve percent that have stayed off education welfare.

Many other welfare programs have been shown to be failures. People who use these programs are harmed—not helped. I know that taking education welfare is harmful to myself, my kids, and society, just as other welfare programs have hurt many people.

I have a vision of a society where children can get the education they need without the dependence on the damaging welfare state. I pray for the strength to help this come about—in a personal way—by getting off the welfare addiction myself.

—Paul Schmidt
Johnson City, Tennessee

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THE FREEMAN
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How to Separate School and State: A Primer

by Douglas Dewey

A forceful case for eliminating the role of government in education has been stated in the previous article. This essay will provide an introductory answer to the "how" question.

Efforts to achieve separation of school and state can be divided into three categories, by order of importance: entrepreneurial, educational, and political.

"Entrepreneurial" serves as a catchall for all forms of voluntary action; that is, efforts that do not involve or require government action. It naturally includes the common use of "entrepreneurial," as in a risk-taking, profit-seeking business venture. But it also refers to everything parents, churches, associations, and others can do *today*—without leave from the superintendent or governor—to liberate families from servile and therapeutic dependency on government for the education of their children.

Entrepreneurial efforts further the cause of the separation of school and state both in fact and by example. Every time a child is removed from a government school, bound either for private or home education, the ratio of free to dependent is improved, and the process of manumission and self-responsibility provides a stirring and fortifying witness for other families and the public at large.

Education *about* education is crucial. We are repeatedly told that the world is entering the "knowledge age." If this is so, then the cause of separation is cinched. Once people learn—even a little—about the true origins and purpose of compulsory government schooling, their faith in it evaporates. Some people's faith is more stubborn than others, and they will ultimately be persuaded only by the success of entrepreneurs.

Political action of every type is happily the least achievable and least important front in the war for educational independence. With a few notable exceptions, most political efforts are as fraught with danger as they are difficult to achieve.

1. Entrepreneurial Efforts

Edu-Tech

Educational futurist Lewis J. Perelman likes to ask audiences to identify one of the pioneers of the unschooled, ungoverned learning industry (coming to a fiber loop near you). The man's name is Tim Berners-Lee, and no one knows who he is, even though he invented the World Wide Web. Mr. Perelman's point is that the big news in education is already happening and is neither waiting for nor dependent on hype from *People* magazine or *60 Minutes*. That

Mr. Dewey is president of the National Scholarship Center, in Washington, D.C., a research and information clearinghouse on privately funded voucher programs. The views expressed here are his own.

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is fairly typical in the history of innovation, says Perelman: the leading edge is already the trailing edge by the time most people know of it.

Right now, there are things happening of which nobody is aware that will hugely affect the way Americans teach and learn. The vital role that technology will play in cracking open the nearly $300 billion K-12 education market today is only dimly perceived. The most obvious impact is in the area of home education. Increasingly powerful and affordable learning tools give parents the confidence to try their own hand as educators of their own children.

At Bob Jones University in Greenville, South Carolina, televisions and computers combine with satellites to allow teaching and learning to conquer time and space forever. LINC (Live Interactive Network Classroom) can broadcast live expert instruction into homes and buildings located literally anywhere on the globe. A student in Alaska can ask a question, have it be heard by students in New York, Kansas, and Oregon, and answered by the teacher in Virginia. Those who want to set their own schedules can download courses on their VCR and use them at their own convenience.

Columnist Cal Thomas notes that this kind of technology has enormous potential to help liberate both middle-class and poor families "from their bondage to government schools." For children whose homes cannot afford satellite dishes, their churches and boys' clubs can acquire them for use in small groups.

New Schools

New technology also brings top-notch instruction and subjects such as foreign languages and advanced math and science within reach of small, fledgling, or struggling private schools. And fledgling schools are what we must see much more of—especially from religious conservatives, whose disgust and frustration with arrogant government educrats has already brought them to the brink of mass exodus. They need nudging.

Why do Christian parents send their children to government schools that noisily promise to undermine everything they hold dear? One reason is historical and will wear off over time: Protestants in their mid-40s and above still fondly remember when their collective denomination had some clout in the government schools, and they dream of regaining it. Never mind that this clout was integral to the establishment of compulsory government schooling in the first place and came at the expense of Catholics. Now the Protestants have lost control to the secularists, and don't like it one bit. But parents in their 20s and 30s have no memories of the Ten Commandments on the classroom wall, and will be less prone to the vain and sentimental hope of re-Christianizing government-owned schools; these parents are more likely to home school or build schools. They are the future.

A second, and more formidable stumbling block for many conservative Protestants is their evangelical commitment to be "salt and light" *within* the secular government schools. Christ certainly enjoins his followers to be "fishers of men"—a daunting task requiring courage, humility, and prudence. He does not necessarily ask us to use minnows to bait barracudas.

Rather than being satisfied with piecemeal progress within the government system, Christians can build more of their own fully successful schools, and win converts by providing attractive examples of godly education. A clean, cheerful school filled with 200 well-behaved, intelligent children can preserve, enhance, and enlighten the whole community. More salt and light, perhaps, than scattering those 200 children across the rocky ground and shallow soil of government schools.

The Poor

When all else fails, government school apologists point to the inability and unwillingness of "poor people," especially those in the "inner cities," to see to their children's education. It is an appalling hypocrisy for governmentalists who have used every available means to rip and burn the social fabric of black, urban, and low-

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income Americans to point to their own handiwork as proof of their indispensability. It is true that family and civic life in cities and among the poor is in tatters. The main cause is the stripping away of family responsibilities from families by government—education chief among them. Restore that one thing and the rebuilding can begin.

Precollege scholarships (a.k.a. privately funded vouchers) can be a big help here. In 1991 J. Patrick Rooney, chairman of the Golden Rule Insurance Co. in Indianapolis, committed $1.2 million of his own money to help low-income families pay for tuition at the school of their choice. Mr. Rooney called the scholarships a "hand up, not a hand out" and backed that up with a requirement that participating families pay half the cost. Five years later, Pat Rooney's tough-love philanthropic vision has spawned a movement that helps some 10,000 low-income children in 25 towns across America. Another half-dozen precollege scholarship programs are in the planning stages, and interest continues to build.

The goal of fostering independence from government is completely fulfilled in miniature by precollege scholarships. Citizens in a given community help the needy among them to attend the schools of their choice. Scholarships liberate families one at a time, without coercion. They are flexible, replicable, efficient, and empowering. They enjoy broad bipartisan support, and, if marketed effectively, could grow into the same kind of tradition of giving enjoyed by the United Negro College Fund, the Red Cross, and the Salvation Army.

America has a long tradition of providing help for needy families to attend college. We simply need to extend that great tradition to help children earlier, when it costs less and is needed most.

Edu-Movers

Then there are the entrepreneurs in the traditional sense. In a recent *Forbes ASAP* article, George Gilder asked Michael Milken what he thought about the potential for opening up the $300 billion K-12 education industry, and Milken instantly corrected Gilder, saying that it is a *$2 trillion* industry, because it's *worldwide*. People like Michael Milken and Bill Gates become billionaires not so much because they think bigger, but longer. They have what could be called an entrepreneurial imagination, unconstrained by the way things look, and the way people think, wherever they happen to be stuck in time. Michael Milken is still behaving penitently for now (he needn't), but he has founded a corporation called EEN (Electronic Education Networks), which he hopes to ultimately build into a multibillion-dollar corporation.

He won't lack for investors, either. Wall Street is not nearly so fettered by turfy political ideologies as Washington, and big investors will not fret over the tousled sensibilities of government school union bosses once they are convinced there is real money to be made. When government schools are perceived merely as vehicles for brownie points with liberal journalists, sycophancy is painless and even profitable for corporate America. But as public confidence in government schooling continues its inexorable collapse, and the whiff of billions begins stirring in the air, the savvy investor will focus his attention on the greatest emerging market in decades and treat government schools as just another competitor to blow out of the water.

And that rusted ol' educational Titanic is listing badly. In February 1996, Lehman Brothers held its first ever Educational Industry Investment Conference in New York. Conferees were regaled with new opportunities in a $600 billion industry, including preschool, K-12, postsecondary, and training and development. Conference organizer Michael Moe, now with Montgomery Securities in San Francisco, compares the potential education market to the health-care industry of 25 years ago. "The mentality used to be that this was the province of government, just like it is now with education. But that's changing," says Moe. John M. McLaughlin edits the Education Industry Report from St. Cloud, Minnesota, which is published by EduVentures of Boston. McLaughlin has begun rating

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25 publicly traded education-related companies and maintains an Education Industry Index (EII), which in 1995 rose 65 percent.

As the EII continues to rise, watch for sudden, precipitous increases via Michael Milken (or Warren Buffett, or Bill Gates, or AT&T, or IBM, or . . .). A single educational FedEx will change everything.

Another worthy effort involves setting up rival teachers associations to the NEA and AFT. The Association of Christian Educators already has 5,000 members. The Association of Educators in Private Practice started in 1991 with 16 members; it now has 500 members—three-quarters of whom are self-employed "freelance" teachers—in other words, doing it (heavens!) for profit. Rival accreditation and credentialing groups are an outstanding idea—any nongovernment authority in education threatens the monopoly and should be welcomed.

2. Educational Efforts

Everything entrepreneurial is by nature educational—teaching separation of school and state by example. But we speak of efforts whose *primary* purpose is educational, in the sense of offering ideas to the public.

Winning with Words

It is no mere pedantry to insist upon the immense power of words. He who names the words makes the rules, controls the game, and determines the outcome, simply because rules are made up of words, and the terms of victory and defeat are described and settled with words. No rational thought, nor communication of thought, is possible without them. Allowing your opponent a wording advantage is rather like permitting him to be permanent prosecutor, with you the permanent occupant of the witness stand:

> "Isn't it true that private education is elitist, racist, and undemocratic, and its apologists always reflexively deny this charge?"
>
> "Well actually—"
>
> "Just answer the question with a yes or a no."
>
> "Umm, no."
>
> "I rest my case."

For 150 years we've been losing the school war through the word war!

There are scores of real-life examples of how the government schooling monopoly uses language to its own advantage. For instance, you never hear it refer to itself as a compulsory government-monopoly. More typical is the friendly and familiar invitation to support "our neighborhood public schools." Nongovernment schools must take their pick from parochial (selfish and narrow), private (elitist, exclusive), and independent (individualistic, superior).

Government schools are public the way jails and departments of motor vehicles are public, not the way parks, libraries, or hardware stores are public. Try living in southeast Washington, D.C., and sending your child to the "public" school a few miles away in McLean, Virginia! This one example has the makings of a significant rhetorical (hence, educational) victory for educational freedom. Never say "public," always say "government"—government school, government program, government teacher. It's not an insult; it's merely accurate. If someone finds it offensive, ask him if he's got something against the government doing those things.

One more important example of the power of words, is one that pertains directly to the heart of what separation of school and state is really about. It's the matter of *reform* vs. *repeal*. The work of liberating families from educational serfdom has nothing to do with reform and everything to do with *repeal*. In the late 1980s Mikhail Gorbachev had some famously irrelevant ideas about "reforming" Communism. The problem Gorbachev encountered was that the only people interested in *perestroika* and *glasnost* were aging fellow travelers at American universities and magazines who desperately hoped he would succeed in preserving the Soviet regime.

It must not be that way with us. The fundamental lesson of *perestroika* is not so much that it failed, but that it was the pursuit

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of a hollow and unattainable goal and deserved the failure to which it was doomed. As an institution, government monopoly schooling, like Communism, has no human face. It is by definition coercive, corrosive, and usurpative. Our goal is not a sensitive and flexible tyranny, but an arrangement for learning that is entirely voluntary, with full authority restored to families, which in turn educate their children not in servility and fear, but in honorable obedience to duty and love.

As a practical matter, this means the words "improve" and "government schooling" must stop appearing in the same sentence. Similarly, we should not think of ourselves as education reformers. Let Catholics reform Catholic schools if they need reforming; let Montessori schools improve themselves, or not, according to the requirements of their pedagogy and the preferences of their clients. Notice there is no such thing as computer reform, motorcycle reform, or gardening reform. When gardeners figure out it's better to mulch in the fall, that's when they'll do it—if they want. A rule of thumb is that if something can be reformed, it's probably controlled by the government. A business may retool, restructure, and even revamp, but it only reforms when so commanded by government. The whole notion of education reform should be rethought—and rejected.

Building Confidence

The first intellectual victory on the horizon is eliminating the prevailing mythology that pregovernment-schooled America was preliterate America. It is hard to overemphasize the importance of broad public education on that matter. Most people assume that government schools were begun to correct a problem of crippling illiteracy. Yet there is a wealth of facts showing the depth and breadth of America's remarkable and unprecedented literacy from colonial times through the mid-nineteenth century. Such inconvenient facts and many others like them need to start making the rounds of American public life.

There is a critical need for more popular and scholarly books about how America got government schooling, where it was designed, how it was adopted, and who were the prime movers and beneficiaries.

Even as we uncover the truth about how successful American education was before the states took it over, we need to paint a vivid and exciting picture of what it will look like when we regain the freedom we once had—a vision of educational opportunity and excellence. When education is in the hands of families, churches, and businesses the excellence, variety, and affordability will come from market-driven enterprises.

3. Political Efforts

Here it might be helpful to quote Irving Kristol's first law of educational reform: *Any reform that is acceptable to the educational establishment, and that can gain a majority in a legislature, federal or state, is bound to be worse than nothing.* It's that second part that most impresses. In addition to the prodigious political clout of the teachers unions, recall that 88 percent of American families still depend on government for their children's education.

That means that as long as legislatures even remotely represent the perceived interests of their constituencies, no "reform" will win passage that is not acceptable to the educational establishment. The deeper truth that Mr. Kristol may not have intended, is that the "worse than nothing" rule includes legislation that could pass in any legislature even *against* the expressed wishes of the unions. The reason is that the unions are not the true establishment, but merely its bellicose representative in the political arena. *We* are the establishment.

There is no point soft-pedaling the deeper truth that most American families have abnegated the sacred duty they owe their children by relinquishing the obligation to pay for and provide their education.

If government had taken over the family's duty to feed their children, and zoned kids into neighborhood feeding stations for all their meals, we wouldn't argue that families had in fact retained the duty to feed their

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children, by pointing out that they still paid their taxes. By this logic, there are no family rights and responsibilities, and there is nothing the government should not undertake in their behalf.

It would be more pleasant to paper over the acquiescence of American families in the face of persistent and egregious government intrusion as the "no choice reaction." But just as with the first war for American independence, the struggle to regain the rights and burdens of self-governance will be achieved through sacrifice and strife, not happy talk. We must say: "Yes, American families are weak. Yes, *my* family is weak, but I won't let it stay that way!"

This hard truth presents the greatest challenge and most promising opportunity for separation. For millions to exit the system, only thousands have to show them the way—and thousands already are doing so. In March 1996, the *Wall Street Journal* ran a front-page story about the flight of suburban middle-class families from government schools to private and Catholic schools. The Boston area experiences a 6 to 8 percent increase in private-school enrollments each year; in Florida it rose by 20 percent in three years. Nongovernment enrollment is booming throughout the country, most tellingly at the expense of the supposedly "good suburban schools." Homeschooling continues to expand and draw from increasingly diverse population groups. Not long ago, *Better Homes and Gardens* did a feature on it. In a few short years homeschooling has shifted from a "fringe" idea to a respectable educational choice.

What has all this to do with politics? *Nothing*—which is the main point about how important political action is at this stage of the campaign: *it isn't*. According to Sun Tzu, it is always better to avoid a pitched battle if victory can be achieved by other means. The visible opponents (unions and the politicians they control) are powerful, entrenched, wealthy, experienced, and unscrupulous. Separationists are weak, dispersed, without resources, inexperienced, and generally limited in scope of action by strongly held principles. Our strength is our message, which gets drowned in the welter of political persiflage. In the calm of the written word, the careful debate, we win every time.

Besides, most education-related political action is either useless (and a waste of precious resources) or fraught with danger. Many political efforts that conservatives consider bold are no more than revenue schemes, such as expanding government financing to include nongovernment schools through vouchers or tax credits. Proponents of those ideas are either oblivious or indifferent to the deeper premise of government-funded schooling—that it robs families of the ownership (hence stewardship) of their children's education—and their obliviousness constitutes a de facto embrace.

To be sure, there *are* some political actions worth pursuing, including tax relief at every level, repealing compulsory attendance laws, and eliminating the federal role in education. For each political action, the following three-part test should be applied:

1. Does the action in any way concede the authority or prior claim of the state in the realm of education?
2. When it comes to independent and religious schools, does the action heed the Hippocratic dictum to first, do no harm?
3. Does the action do a deliberate wrong, no matter how slight, to achieve a good, no matter how great?

Conclusion

As promised, this is only an introductory answer to what must be considered the biggest public-policy question of the century. It speaks directly to the prospects of continued self-reliance and limited government. Only if we can restore the fundamental sovereignty of families in the education of their children can we begin once again to speak of "the family" as having political and moral standing in public life. If families remain weak and servile, no other liberties will long endure. With families restored to full dignity and vitality, *all* else can be restored. □

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Mixing Public and Private

Is private, for-profit management compatible with tax-funded public schools?

The idea that business-savvy entrepreneurs might improve the operation and performance of public education is, on the surface, an attractive one: under contract with local school boards, private management firms would take over the schools, exert some financial discipline, promote innovative educational techniques, and boost student test scores in the process. Many public schools already save money and get value for tax dollars by contracting with private firms for food service, custodial work, transportation, and even certain instructional services. Why not go one step further and put private companies in charge of running the whole operation?

To school reformers who see the need for public education to be less bureaucratic and more responsive to customers, this form of "privatization" may appear to be a step in the right direction. And it might be precisely that if it worked so well that it prompted parents and taxpayers to see the virtue of separating school from state altogether. Unfortunately, the recent experiences of a prominent company pioneering in this field indicate that reforming public schools with halfway measures like private management is at best a frustrating exercise and, at worst, a waste of time. The root of the problem with government schools, these experiences suggest, is government itself.

Education Alternatives, Inc. (EAI), a Minnesota-based school management firm, made headlines when it signed a five-year contract in 1992 to operate nine inner-city schools in Baltimore, Maryland. As the first major experiment of its kind in the country, the arrangement put the company in charge of management, computer instruction, and administrative services. But on November 22, 1995, barely halfway into the life of the contract, Baltimore city officials canceled it. Apologists for public education seized on the news to claim that it spelled failure with a capital "F" for the cause of privatization in general. That interpretation was widespread but it was also superficial, self-serving, and dead-wrong.

In reality, the contract fell apart because EAI rejected an ultimatum it couldn't possibly abide. City officials suddenly and arbitrarily demanded that the company accept $7 million less per year—16 percent of its $44 million-a-year contract—to help Baltimore close a deficit in its municipal budget. The politicians in Baltimore were saying this: "Our mismanagement of other budgets for such things as streets and sewers has put us in financial trouble. We decided to fix our problem by taking it out on the schools. Even though we have a contractual obligation to a private firm and are not claiming that it has failed to live up to the agreement, we decided to unilaterally rip them off for $7

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million anyway. We can get away with this because we are the government."

An analyst with Lehman Brothers told the *New York Times,* "Baltimore has been a success. . . . The schools that EAI took over were a disgrace, and today they're schools that work." Baltimore's Superintendent of Schools, Walter G. Amprey, one of EAI's strongest defenders, praised the company, saying it "established a model and a template for us that has changed the way we are doing business." But the *Baltimore Sun* correctly chalked up the experience to the failures of government:

> EAI ran into the cold reality of urban education and city politics. The company chose a struggling urban system to establish a beachhead, and it was handling nine of Baltimore's most troubled schools. Mr. Golle (EAI president) signed a contract allowing the city to cancel with 90 days' notice. The escape clause, which Mr. Golle said was a "mistake," left EAI at the mercy of cost-cutting politics at a time of shrinking school resources.

Opponents of the Baltimore experiment with EAI, some of whom worked hard from the start to make sure it failed, claim that student performance as measured by test scores did not improve during the three year period of EAI's contract. They are not very quick to point out that EAI "mainstreamed" many children that otherwise would have been labeled "learning disabled." The company reduced the percentage of learning disabled in Baltimore from 25 percent (two and a half times the national average!) to just 12 percent. A University of Maryland report explained that this fact "almost certainly accounts for some of the lack of increase in test scores."

More recent data put EAI's work in an even more favorable light. According to the January 10, 1996, issue of *Education Week,* results from last spring's Maryland School Performance Assessment Test became public in late December, weeks after the cancellation of EAI's contract. They revealed "larger improvements in the nine schools run by EAI than in other city schools." Baltimore's officialdom can't bring itself to apologize and reinstate what worked for the kids because, after all, it is the government and government knows best.

On January 23, 1996, EAI suffered another setback. Hartford, Connecticut, pulled the plug on its 16-month relationship with the company. More proof, opponents claimed, that privatization doesn't work.

Closer inspection, once again, revealed politics as the real culprit. Teachers union agitators sabotaged the effort from the start, resisting every constructive move the company wanted to make. EAI was compelled to retain every employee and avoid any layoffs. It had to hire locally and submit to costly, nitpicking union work rules. Good business sense dictated a switch from one computer brand to another, but the company was prevented from doing so by the neanderthals opposed to change. The school board refused to get its act together and allow the company to straighten out its financial procedures as the contract stipulated. To top it all off, Hartford's board of education imitated the reprehensible example of Baltimore: it decided to make up a budget deficit by simply not paying EAI for services rendered.

Perhaps some will say that we shouldn't be quick to give up on the idea of private management of public schools, that the events in Baltimore and Hartford are isolated instances and nonrepeatable if we learn from the mistakes.

But, alas, a round peg doesn't fit a square hole. The stronger argument would seem to belong to those who say the real mistake of Baltimore and Hartford was assuming that private management can be grafted on to government schools in the first place. □

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THE FREEMAN
IDEAS ON LIBERTY

The Spread of Education Before Compulsion: Britain and America in the Nineteenth Century

by Edwin G. West

Most persons agree that children need the protection of the law against potential abuse by parents. But evidence shows that only a small minority of parents turn out to be delinquent. In practice it is very seldom indeed that governments remove children from their family home. At the end of the 1980s fewer than two children per 10,000 below the age of 18 were under state care in either the United States or England and Wales. That is less than two-hundredths of one percent![1]

It can thus reasonably be assumed that the vast majority of parents are altruistic toward their children so that, for instance, they will not neglect their food, clothing, or shelter. Yet if these necessities were to be provided today on the same basis as education, they would be available free of charge. Indeed, there would be laws for compulsory and universal eating and higher taxes to pay for children's "free" food at the nearest local government kitchens or shops.

But it is only in the last century and a quarter that this kind of asymmetry of treatment has emerged. This essay will accordingly look at the history of the subject to enquire to what extent the altruism of typical parents extended to education as well as to other necessities before governments intervened. I shall first examine conditions in England in the nineteenth century prior to the introduction of compulsory education. I shall then make a similar investigation of the United States to see if there were interesting parallels.

England and Wales

Contrary to popular belief, the supply of schooling in Britain between 1800 and 1840 was relatively substantial prior to any government intervention, although it depended almost completely on private funds. At this time, moreover, the largest contributors to education revenues were working parents[2] and the second largest was the Church. Of course, there was less education per child than today, just as there was less of everything else, because the national income was so much smaller. I have calculated, nevertheless, that the percentage of the net national income spent on day-schooling of

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Table 1
Growth in Public Schooling in England and Wales, 1818-1858

Year	Population	Average annual growth rate of population	Number of day scholars	Average annual growth rate of day-scholars
1818	11,642,683		674,883	
		1.40%		3.60%
1833	14,386,415		1,276,947	
		1.47%		3.16%
1851	17,927,609		2,144,378	
		1.21%		2.35%
1858	19,523,103		2,525,462	

Sources: The 1851 Census (Education Report) and the Newcastle Commission Report on Education in 1858 (Parliamentary Papers 1861).

children of all ages in England in 1833 was approximately 1 percent. By 1920, when schooling had become "free" and compulsory by special statute, the proportion had fallen to 0.7 percent.[3]

The evidence also shows that working parents were purchasing increasing amounts of education for their children as their incomes were rising from 1818 onwards, and this, to repeat, at a time before education was "free" and compulsory by statute. Compulsion came in 1880, and state schooling did not become free until 1891.

Table 1 demonstrates that the annual growth of enrollments between 1818 and 1858 exceeded the annual growth of population. After the compilation of the first educational census in 1851, it was reported that the average school attendance period of working-class children was nearly five years. By 1858 the Newcastle Commission concluded that it had risen to nearly six years. And the same authority reported that "almost every one receives some amount of school education at some period or other."[4]

The author of the famous 1870 Act, W. E. Forster, explained that the intention of introducing fee-based government-run establishments for the first time was not to replace the vast system of private schools but simply to "fill up the gaps" where they could be found. His officials, however, were overambitious in their reports of these needs, and after government schools were erected they were often found to have much surplus capacity. To reduce their embarrassment over half-empty schools, the education boards then resorted to lowering tuition fees and using tax revenues to fill the breach. The lower price naturally expanded the demand; but this was at the expense of the private schools, many of which could not survive such unfair competition.

After education was made compulsory by statute, the government-school advocates argued that it was wrong to compel the very poorest to do something they could not afford. But rather than propose a special financial dispensation or grants to these families, the advocates insisted that education should be made free for all: the rich and the middle class as well as the lower-income groups. Free education was legislated for the new government schools exclusively because it was argued that it would be inviting conflict to ask taxpayers to subsidize religious schools. Protestant taxpayers, for instance, would object to their taxes financing Catholics, and vice versa.

In this way the new "gap-filling" government schools were given a wide-open field with their zero-priced education. Since most of the subsequent growing population naturally chose the free alternative, the private schools' share of the market declined and that of government schools skyrocketed.

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The Literacy Record

The pre-1870 record of educational outputs such as literacy was even more impressive than the numbers of children in school, and this presents an even more serious problem to typical authors of social histories. Professor Mark Blaug has observed that "Conventional histories of education neatly dispose of the problem by simply ignoring the literacy evidence."[5]

R. K. Webb, a specialist historian of literacy, offers the following conclusions about conditions in Britain in the late 1830s:

> In so far as one dare generalize about a national average in an extraordinarily varied situation, the figure would seem to run between two-thirds and three-quarters of the working classes as literate, a group which included most of the respectable poor who were the great political potential in English life.[6]

There was, moreover, an appreciable rate of *growth* in literacy. This is reflected in the fact that young persons were more and more accomplished than their elders. Thus an examination of educational attainments of males in the Navy and Marines in 1865 showed that 99 percent of the boys could read compared with their seniors: seamen (89 percent), marines (80 percent), and petty officers (94 percent).[7]

It is not surprising that with such evidence of literacy growth of young people, the levels had become even more substantial by 1870. On my calculations for 1880, when national compulsion was enacted, over 95 percent of fifteen-year-olds were literate.[8] This should be compared to the fact that over a century later 40 percent of 21-year-olds in the United Kingdom admit to difficulties with writing and spelling.[9]

American Education on the Eve of Government Compulsion

In the interests of manageability I shall confine attention to a single U.S. state. New York is selected because it seems to have been reasonably representative of conditions generally in the first 70 years of nineteenth-century America.

In 1811 five commissioners were authorized to report on the extent of education in the state. They recognized that, in order to qualify for state aid, it was necessary to establish in what respects the people were not themselves already securing sufficient education for their children. The commissioners acknowledged that schooling was indeed already widespread: "In a free government, where political equality is established, and where the road to preferment is open to all, there is a natural stimulus to education; and accordingly *we find it generally resorted to, unless some great local impediments* interfere."[10] Poverty was in some cases an impediment; but the biggest obstacle was bad geographic location:

> In populous cities, and the parts of the country thickly settled, *schools are generally established by individual exertion.* In these cases, the means of education are facilitated, as the expenses of schools are divided among a great many. It is in the remote and thinly populated parts of the State, where the inhabitants are scattered over a large extent, that education stands greatly in need of encouragement. The people here living far from each other, makes it difficult so to establish schools as to render them convenient or accessible to all. Every family therefore, must either educate its own children, or the children must forego the advantages of education.[11]

The problem was thus presented in the same terms as those later used in England by W. E. Forster, the architect of the 1870 English Education Act. As we have seen, it was largely a problem, to use Forster's words, of "filling up the gaps." The logic of such argument, of course, called mainly for discriminating and marginal government intervention. To this end three methods were available. First, the government could assist families, but only the needy ones, by way of educational subsidies. Second, it could subsidize the promoters of schools in the special

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areas where they were needed. Third, the government itself could set up schools, but only in the "gap" areas. Without discussing possible alternatives, the New York State commissioners recommended that the inconveniences could generally best be remedied "by the establishment of Common Schools, under the direction and patronage of the State."

The report, having stressed the plight of the rural areas, leads the reader to expect special attention to be paid to them in the New York State general plan of intervention. No such priority appears, however. The main features of the plan suggested by the commissioners were: that the several towns of the state be divided into school districts by three commissioners, elected by the citizens to vote for town offices; that three trustees be elected in each district, to whom shall be confined the care and superintendence of the school to be established therein; that the interest of the school fund be divided among the different counties and towns according, not to the distribution, but to the size of their respective populations as ascertained by the current census of the United States.

Thus, in place of discrimination in favor of the poor and thinly populated districts, a flat equality of treatment was decreed for *all areas*; the public monies were to be distributed on a per capita basis according to the number of children between five and fifteen in each district, whether its population was dense or sparse, rich or poor.

Two details of the early legislation (of 1812 and 1814) are worthy of special attention. First, there seems to have been no announced intention of making education free. Even with the addition of the revenues from town taxes there were far from sufficient monies to cover expenses. The substantial balance was presented in the form of rate bills (fees) to the parents, who were required to pay in proportion to the attendance of their children. For instance, in 1830 parental fees contributed $346,807 toward the total sum for teachers' wages of $586,520.[12]

The second detail of the early legislation worth noticing is that religion was regarded as an integral part of school education. The commissioners observed: "Morality and religion are the foundation of all that is truly great and good; and consequently, of primary importance."[13] The Bible, in common schools, was to be treated as more than a literary work. The commissioners particularly recommended the practice of the New York Free Schools (the charitable establishments) in "presuming the religious regard which is due to the sacred writings."[14]

Subsequently, the annual reports of the superintendents revealed a steady growth in the number of school districts organized. In some cases, entirely new schools were built; in others the personnel of existing private schools allowed themselves to become socialized, that is, to become common schools, in order to qualify for the public monies. In the report of 1821 it was stated that the whole number of children between the ages of five and 16 residing in the state was 380,000; and the total number, of all ages, taught during the year was 342,479. Thus, according to this evidence, schooling in the early nineteenth century was already almost universal *without being compulsory*. Moreover, although it was subsidized, it was not free except to the very poor.

In the first half of the century, statistics for private schooling throughout the state were hard to come by. But it will be remembered that the 1811 Commissioners observed that in thickly populated areas the means of education were already well provided for. The Superintendent's Report of 1830 contained an account of a census of the schools of the city of New York for the year 1829. It showed that of the 24,952 children attending school in the city, the great majority, 18,945, were in private schools.[15]

By this time the superintendents were expressing complete satisfaction with the provision of schooling. On the quantity of it the Report of 1836 asserted:

> Under any view of the subject, it is reasonable to believe, that in the common schools, private schools and academies, the number of children actually receiving

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instruction is equal to the whole number between five and sixteen years of age.[16]

The fact that education could continue to be universal without being free and compulsory seems to have been readily acknowledged. Where there were students who had poor parents, the trustees had authority to release them from the payment of fees entirely, and this was done "at the close of term, in such a manner as to divest the transaction of all the circumstances calculated to wound the feelings of scholars."[17]

Literacy in Nineteenth-Century America

The spread of literacy among the American population before education became compulsory seems to have been at least as impressive as in the case of Britain. An item in the *Journal of Education* of January 1828 gave this account:

> Our population is 12,000,000, for the education of which, we have 50 colleges, besides several times the number of well endowed and flourishing academies leaving primary schools out of the account. For meeting the intellectual wants of this 12,000,000, we have about 600 newspapers and periodical journals. There is no country, (it is often said), where the means of intelligence are so generally enjoyed by all ranks and where knowledge is so generally diffused among the lower orders of the community, as in our own. The population of those portions of Poland which have successively fallen under the dominion of Russia, is about 20,000,000. To meet the wants of which there are but 15 newspapers, eight of which are printed in Warsaw. But with us a newspaper is the daily fare of almost every meal in almost every family.

Sheldon Richman quotes data showing that from 1650 to 1795, American male literacy climbed from 60 to 90 percent. Between 1800 and 1840 literacy in the North rose from 75 percent to between 91 and 97 percent. In the South the rate grew from about 55 percent to 81 percent. Richman also quotes evidence indicating that literacy in Massachusetts was 98 percent on the eve of legislated compulsion and is about 91 percent today.[18]

Finally, Carl F. Kaestle observes: "The best generalization possible is that New York, like other American towns of the Revolutionary period, had a high literacy rate relative to other places in the world, and that literacy did not depend primarily upon the schools."[19]

Conclusion

This account of education in New York State prior to full government intervention to make it free, compulsory, and universal, can be concluded as follows: Whether or not it was appropriate (after 1867) to apply compulsion unconditionally to all classes of individuals, the laws that were actually established did not in fact secure an education that was universal in the sense of 100-percent school attendance by all children of school age. If, on the other hand, the term "universal" is intended more loosely to mean something like, "most," "nearly everybody," or "over 90 percent," then we lack firm evidence to show that education was not already universal prior to intervention. The eventual establishment, meanwhile, of laws to provide a schooling that was both compulsory and free, was accompanied by major increases in costs. These included not only unprecedented expenses of growing bureaucracy but also the substantial costs of reduced liberty of families eventually caught in a choice-restricted monopoly system serving the interests not of the demanders but of the rent-seeking suppliers. Both sides of the Atlantic, meanwhile, shared this same fate. □

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2. E. G. West, *Education and the Industrial Revolution* (London: Batsford, 1975).
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4. Newcastle Commission, 1861, p. 293.
5. Mark Blaug, "The Economics of Education in English Classical Political Economy: A Re-Examination," in A. Skinner and T. Wilson, eds., *Essays on Adam Smith* (Oxford: Clarendon Press, 1975), p. 595.

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6. R. K. Webb, "The Victorian Reading Public," in *From Dickens to Hardy* (London: Pelican Books, 1963), p. 149.
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10. M. Randall, *History of the Common School System of the State of New York, from its Origins in 1795, to the Present Time* (New York: Ivison, Blakeman, Taylor, & Co, 1871), p. 18; my emphasis.
11. *Ibid.*
12. *Ibid.*, p. 66. Teachers' wages constituted about one-half of total expenses.
13. *Ibid.*, p. 19.
14. *Ibid.*, p. 22.
15. Annual Report, New York Superintendent Common Schools, 1830, p. 17.
16. Annual Report, New York Superintendent Common Schools, 1836, p. 8.
17. Annual Report, New York Superintendent Common Schools, 1831, p. 16.
18. Sheldon Richman, *Separating School and State: Liberating America's Families* (Fairfax, Va.: The Future of Freedom Foundation, 1994), p. 38.
19. Carl F. Kaestle, *The Evolution of the School System: New York City 1750-1850* (Cambridge, Mass.: Harvard University Press, 1973), p. 5.

Why Not Separate School and State?

Government "education" includes three forms of coercion: (1) compulsory attendance, (2) government-dictated curricula, and (3) the forcible collection of the wherewithal to pay the enormous bill.

The results of force are bad enough as related to the pocketbook, but are far worse as they affect the educational process. Force is precisely inefficacious in education as when applied to religion and for the same reason. . . . Reflect on this lamentable situation:

- Coercion is a ramming-into procedure. Education is a taking-from process.
- "Graduation" in many schools requires no more than attendance; learning is no longer a criterion.
- To really appreciate the extent of coercion, try to run a private school and observe how your freedom of choice and action is restricted. The power mongers insist that you run your school their way—no other. This coercion—backed by physical force, the constabulary—is rapidly on the increase.

So I ask, why not separate School and State as Church and State are now operated? Leave education to the free market, where the wisdom is. Let organized force—government—have no role, none whatsoever, other than to inhibit fraud and misrepresentation.

—Leonard E. Read, *Vision* (1978)

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THE FREEMAN
IDEAS ON LIBERTY

Education: What About the Poor?

by Chris Cardiff

In various forms, the question "what do we do about the poor?" outstrips all others as the most frequently asked question about separating school and state. The implicit assumption, only natural after 60 years of the welfare state and 150 years of government control of education, is that government is the only entity capable of looking out for the poor and educating them.

Both the historical record and present conditions invalidate this assumption. There is no evidence that poor children were denied an education in the nonslave states before the government takeover of the schools in the mid-1800s. Since then, educational opportunities for the poor have declined steadily.

While government control of education harms all families, children of low-income families are damaged most severely. Our inner-city government schools resemble prisons with their metal detectors and armed guards on patrol. Described as "poverty mills" by critics, these institutions cannot educate; they can only warehouse children. Despite spending over 300 billion taxpayer dollars on education every year, our existing system of government schools is not meeting the needs of low-income families.

The full separation of school and state means rescinding government-compelled attendance, curriculum, credentialing, accreditation, and financing. The issue of providing educational opportunities for the poor hinges on financing. Restated, the question becomes: how will low-income families be able to afford education for their children without government handouts?

The Second-Largest Entitlement Program in the World

With expenditures of over $316 billion per year, education is the second-largest entitlement program in the United States (and the world), ranking behind Social Security but ahead of Medicare-Medicaid.[1] Providing educational opportunities for low-income families can be met without edu-welfare by replacing the government educational dole with a system of private scholarships (or private vouchers) funded by charitable donations.

As part of the movement toward a free market in education, dozens of private scholarship foundations for elementary and secondary school-age children have proliferated since J. Patrick Rooney, chairman of Golden Rule Insurance, inaugurated the first one in 1991. These charity-financed programs encourage family involvement with their children's education and schools by requiring participating families to choose a school that matches their needs and to pay part of the tuition themselves.

These programs are successfully provid-

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ing the means for over 10,000 children to attend independent schools today. Is it realistic to expect them to replace our gigantic edu-welfare system? How much money would these programs need to help all low-income families?

The answer is, comparatively, very little.

Running the Numbers

A simplified static analysis of educational funding requires two numbers: how many children (or families) will need financial assistance to attend independent schools, and how much will it cost them? As a rough estimate, one-third of families—16 million children—will need financial assistance. Half of these, eight million, are classified as "poor" by the U.S. Census Bureau, while the other half could be considered lower middle-class.

According to the National Center for Educational Statistics, private school tuition averages between $2,500 and $3,000 per year. A typical private scholarship program provides up to half (some pay more than half, most have ceiling amounts). For this simplified static analysis, assume $1,500 scholarships—half the cost of the upper end of the range. (It's easy to improve on this model by developing a sliding scale of scholarships based on financial need, ranging, for example, from $750 to $2,250 but averaging $1,500).

If all 16 million poor and lower-middle-class children were provided a $1,500 scholarship, educational opportunities in today's independent schools could be opened for all low-income families for only $24 billion. To put that amount in perspective, it is 25 percent less than the state of California alone spends and less than 8 percent of the $316 billion spent on education today by all levels of government nationwide.

Where Will the Money Come From?

We have a long history of charitable giving in this country. While many charities have been co-opted and crowded out by government, Americans still give generously of their time and money. Consider these statistics:

- In 1993, Americans donated $126.2 billion to charities.[2]
- 89 million Americans donated four or more hours a week to charitable efforts in 1993.[3]
- Individuals, corporations, foundations, and other organizations donated $12.4 billion directly to colleges and universities in 1994-1995.[4]
- Private-sector sources donated $24.9 billion in private scholarships and fellowships for higher education in 1994.[5]
- "Partnerships" between businesses and schools, in which firms donated goods and services, money, or all three, grew from 40,000 to 140,000 between 1983 and 1988.[6]

All this is on top of an average tax burden of over 40 percent. Clearly, we are a generous nation, a giving people—and much of our largess is directed toward providing educational opportunities for others. With donors already contributing $37.3 billion for higher education, how difficult would it be to raise the $24 billion needed for private scholarships for elementary and secondary school-age children?

A recent example illustrates the credibility of this scenario. Last August, a local judge shut down much of Milwaukee's school-choice program (based on government vouchers) after thousands of children had already begun classes. A generous outpouring by Milwaukee's citizens resulted in raising $1.6 million in ten days (and eventually more than $2 million) so that the children could remain in the schools they chose and not be forced to return to government schools.[7]

It's not a question of whether Americans will support private scholarships for elementary and secondary school children—obviously, they already do.

The Dynamics of a Free Market and a $316-Billion Tax Cut

Eliminating government's role in education eliminates the need to tax citizens to

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fund the government schools. That even suggests a natural course of action to begin separating school and state. Taxes could be phased out, allowing the private sector to grow over time. Families could pay tuition bills with funds previously taken as taxes. Others have called for an immediate repeal of all taxes that fund schools.

Imagine the possibilities of returning $316 billion to taxpayers as part of separating school and state! Currently only 12 percent of America's school-aged children attend independent, parochial, or home schools.[8] Making this market eight times larger would spur educational innovation as entrepreneurs chased those dollars. Educational opportunities would expand tremendously for everyone—especially the poor. The quantity and quality of educational opportunities would increase dramatically.

Finally, consider the possibilities for raising $24 billion for private scholarships from taxpayers who have just had $316 billion returned to them. If only eight percent of that money found its way to private scholarship funds, money would be available for all children of lower-income families to attend better schools than they are attending today. In the dynamic real world, much less would be needed, as families learned to become independent again. Not only is it likely that private funding for scholarships would be available for lower-income families, but those dollars would also be purchasing a much better educational product. Given these synergistic benefits, the only question remaining is: what are we waiting for? □

1. Government's elementary and secondary schools spend $249 billion. That includes $211 billion of per-pupil costs, $27 billion in capital outlay and interest, $2 billion from U.S. Department of Education, $3 billion from other federal programs, and $6 billion of additional state expenditures. Myron Lieberman, *Public Education: An Autopsy* (Cambridge, Mass.: Harvard University Press, 1993), pp. 114–142. In the 1992-1993 school year, federal, state, and local governments provided $66.6 billion to colleges and universities. *Chronicle of Higher Education Almanac*, September 1, 1995, p. 25.

2. Kim Dennis, "The History of Social Assistance," National Leadership Conference, March 29, 1995.

3. *Ibid.*

4. "Sources of Voluntary Support for Higher Education, 1993-1994," *Chronicle of Higher Education Almanac*, September 1995, p. 25.

5. The private sector controls and awards $24.9 billion. *Database Survey*, National Scholarship Research Service, December 1991. This survey result is independently corroborated by data reported in *Foundation Giving* (New York: The Foundation Center, 1994), p. 10, and in *The Chronicle of Philanthropy* (April 1990).

Some $9.1 billion is controlled and awarded by schools. *The Digest of Education Statistics 1994* (U.S. Department of Education, National Center for Education Statistics), p. 321, table 313. Figures are for academic year 1991-1992.

6. John Hood, "When Business 'Adopts' Schools: Spare the Rod, Spoil the Child," Cato Institute Policy Analysis, June 5, 1991, p. 5.

7. "School Wars," editorial, *The Wall Street Journal*, September 11, 1995, p. A16.

8. *The Digest of Education Statistics 1990* (U.S. Department of Education, National Center for Education Statistics), p. 51, table 37, and p. 68, table 53. Figures are for academic year 1987-1988.

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THE FREEMAN
IDEAS ON LIBERTY

Teachers Unions: Are the Schools Run for Them?

by James Bovard

Public education is the most expensive "gift" that most Americans will ever receive. Government school systems are increasingly coercive and abusive both of parents and students. Government schools in hundreds of cities, towns, and counties have been effectively taken over by unions, and children are increasingly exploited, thwarted, and stymied for the benefit of organized labor.

Government schools are increasingly run by the unions and for the unions. Former U.S. Secretary of Education Lamar Alexander observed, "After the post office, schools are the most unionized activity in America. [Teachers unions] collect a lot of money in dues, they are often the largest lobby in the state, they are very, very powerful." Teachers unions are especially powerful in inner cities, where teacher pay is often highest and teacher performance is usually the worst. Mario Fantini, in his book *What's Best for Children*, declared, "For many black and Puerto Rican parents, the teachers unions now represent the 'enemy.'" Reverend Jesse Jackson has questioned teachers' "right to strike for more money when the employer—a taxpaying parent—holds tax receipts in one hand and test results in the other that prove he's paying more and more for less and less."

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Teacher monopoly-bargaining laws (laws that permit unions to claim to represent and speak for all teachers, and to force school boards to deal with unions) in 34 states cover 67 percent of the nation's teachers. Teachers unions have worked to destroy local control of education, subvert standards, prevent teacher accountability, and deny parents a significant voice in their children's education. Unions have launched strikes to prevent and restrict "parental interference" in public education. Thanks to a strong union, New York school janitors are paid an average of $57,000 a year, yet are required to mop the schools' floors only three times a year. As a result, New York City public schools are sometimes filthier than New York City streets.

Teachers unions have long been the most powerful force in education at both state and local levels. *Forbes* magazine nicknamed the NEA "The National Extortion Association." An October 11, 1995, *Wall Street Journal* editorial entitled "The Unions' Schools" noted,

> The next time you're visiting a state's Capitol building, scan the neighborhood for a nearby building that's as big or bigger. There, in the largest, grandest, best-situated office building you're likely to find one of the most powerful political institutions in the state: the teachers' union.

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The *New York Times* noted last year that teachers unions have been "for decades the most conspicuous voice in American education." Teachers unions do not hesitate to use their clout blatantly. The NEA announced a boycott of Florida orange juice after the Florida citrus department advertised on the Rush Limbaugh radio show. As Barbara Phillips reported in the *Wall Street Journal* in January, the local teachers union in Jersey City, New Jersey, threatened a statewide boycott against Pepsi if PepsiCo did not withdraw from its support of Mayor Bret Schundler's school voucher proposal. There is no limit to the brazen demands of some unions: the West Virginia teachers union sparked controversy in February by demanding that teachers be permitted to retire at age 50 with full benefits—even though the teacher pension fund was far in hock.

Policy Dictators

Teachers unions are increasingly dictating policy to the schools. The NEA has denounced back-to-basics programs as "irrelevant and reactionary." The union is the leading advocate of "no-fault" teaching—whatever happens, don't blame the teacher. The *Chicago Tribune* concluded in 1988 that the Chicago Teachers Association has "as much control over operations of the public schools as the Chicago Board of Education" and "more control than is available to principals, parents, taxpayers, and voters." The *Tribune* noted that "even curriculum matters, such as the program for teaching children to read, are written into the [union] contract, requiring the board to bring any proposed changes to the bargaining table."

As Richard Mitchell noted in his classic *The Graves of Academe*, the NEA has played a crucial role in mentally debasing American public schools. In 1918 it authored a federal government report known as "Cardinal Principles of Secondary Education." Mitchell summarized the principles:

> It is a thematic illusion of our educational enterprise that understanding can be had without knowledge, that the discretion can be informed without information, that judgment need not wait on evidence. . . . The self-interest of a massive educationists' trade union is evident on every page of Cardinal Principles. . . . They wanted to be not teachers but preachers, and prophets too, charging themselves with the cure of the soul of democracy and the raising up in the faith of true believers.

In 1971 the NEA issued a "Call to Action" that renewed its commitment to the Cardinal Principles. It declared, "We have overemphasized the intellectual development of students at the expense of other capacities." Thanks to the NEA's success in rewriting school curricula, student knowledge of history has nose-dived, student reading and comprehension have plummeted, and college remedial classes have thrived.

"Solidarity Forever"

Teachers unions have sometimes blatantly sought to manipulate what children are taught in order to inculcate pro-union attitudes. In the late 1970s the Miami affiliate of the American Federation of Teachers sent out a bulletin urging music teachers to "order music such as 'Solidarity Forever,'" English teachers to "incorporate short stories, novels, poems, and films depicting labor struggles and conflicts," and math teachers to "use labor and management as specific examples in problems." But, of course, the union members were objective in their class discussions.

Teachers unions blatantly exploit their power over school children. In Montgomery County, Maryland, union teachers refused to write letters of recommendations to colleges for students unless the students first wrote to the county council urging an increase in government spending for education (and, naturally, higher salaries for teachers). One high school senior told the *Washington Post*, "The consensus among students seems to be it may be blackmail, but students are going to go along with it anyway."

In California in 1991, teachers required

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students to write to state legislators demanding more money for education. The tactic backfired because numerous letters contained threats of physical violence against the legislators.

At Wilson High School in Washington, D.C., teachers gave parents a formal notice that they would not write letters of recommendation for students unless parents wrote three letters demanding higher pay for teachers: "Please submit to each teacher from whom your child is requesting a college recommendation your letters to your city council member, the superintendent and your school board member along with three addressed and stamped envelopes." Parents thus had to grovel in front of a teacher—to surrender their right to their own opinion on public education policy—in order for their children to receive consideration from the teachers.

Teachers have stronger legal rights to tax dollars than the taxpayers have to a quality education for their children. School systems face vastly more repercussions from firing an incompetent teacher than from totally neglecting school children. In 1988, the *Chicago Tribune* reported:

> All 22 students in Grace Currin's 4th grade class must attend summer school this year because, their principal says, Currin did not teach the children enough to pass to the next grade. Dyanne Dandridge-Alexander, principal at [Chicago's] Spencer Elementary School: "Those children have suffered because they have a totally inept teacher that no one has been able to fire."

A 1992 *Detroit Free Press* investigation entitled "Shielding Bad Teachers" concluded that it takes a school district seven years and costs an average of $100,000 to fire a single incompetent public school teacher. Seven years is over half of the schooling time of the average pupil. The *Free Press* concluded, "No protections are built in for the state's 1.5 million public school students, who can suffer physical, sexual or educational abuse." The American Association of School Administrators conducted an audit of District of Columbia public schools and concluded that an "astonishingly low" number of teachers receive unsatisfactory ratings and that it is "nearly impossible" to fire bad teachers.

Potent Political Power

Many politicians have claimed that the problems of public education can be resolved by rigorous new teacher evaluation programs. But teachers unions often politically dominate state legislatures, and the legislators protect the teachers against their own incompetence. In 1991 the Louisiana legislature voted to suspend teacher evaluations for one year. That evaluation had originally been introduced as part of a joint package with large pay raises for teachers; after the legislature enacted the pay raises, the teachers unions then launched a successful attack on the evaluation program.

Homeschooling is one of the fastest growing triumphs in family rights in the country. Naturally, teachers unions have been fiercely opposed to permitting parents to teach their own children to read and write. Annette Cootes of the Texas State Teachers Association declared that "home schooling is a form of child abuse." The NEA annually passes resolutions calling for a de facto ban on homeschooling.

One measure of the coerciveness of the government school monopoly is the percentage of parents who would remove their kids from government schools if they could. If Americans could choose—if they had not already paid for public education through taxes—there would likely be a wholesale exodus from government schools in many cities. A 1992 poll of black residents of Milwaukee revealed that 83 percent favored a voucher system that would allow parents to choose their children's school. A 1991 Gallup poll found that 71 percent of people 18 to 29 favored educational vouchers and 62 percent of people 30 to 39 favored vouchers. The Gallup survey found that "by a 10-to-1 margin, respondents said private schools do a better job of . . . giving stu-

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dents individual attention and maintaining discipline."

Teachers unions and school officials have repeatedly sabotaged parents' efforts to defect from the public school monopoly. In 1992 in California, a coalition sought to put on the state ballot a proposal to provide a $2,500 state scholarship to children attending private schools. (Since the state of California was then spending over $6,000 per public school student, taxpayers would save over $3,000 for each additional student transferring from public to private schools). Though organizers got almost one million signatures to put the measure on the ballot, the effort was bushwhacked by the California Teachers Association and public school officials. Teachers at El Camino Real Elementary School in Irvine gave students oversized checks stamped with the word "fraud" in their campaign to thwart the measure.

As economist Thomas Sowell noted, "The Los Angeles Unified School District has used its taxpayer provided cable television channel to propagandize against allowing the public to vote in November on an initiative to permit school choice. Los Angeles school board member Julie Korenstein warned that allowing parents to choose between public and private schools would 'end up with bigotry and ultimately with a fascist type of society.'" Del Weber of the California Teachers Association declared, "There are some proposals that are so evil that they should never even be presented to the voters."

Squads of teachers traveled around the state to surround the petitioners and prevent people from signing the petition. Many teachers signed the petitions numerous times knowing that the state government would nullify hundreds of thousands of valid signatures as a penalty against duplicate signatures. Conny McCormack, San Diego's registrar of voters, concluded: "This is an unprecedented case of intentional fraud."

The power of the teachers unions is one of the best reasons to pursue the separation of school and state. There is no simple reform, no fancy political trick that will break the power of the teachers unions over the day-to-day activities of public schools. Given the realities of campaign contributions and organized greed, it will always be easier for teachers unions to exploit the education system for their own benefit than for parents to fight the eternal bureaucratic and political wars necessary to protect their children. □

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THE FREEMAN
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Government Licensing: The Enemy of Employment

by Steven Yates

Not long ago I found myself without a job. The experience offered me some insight into the causes of unemployment in American society. I knew that occupational licensure was both a stumbling block to would-be entrepreneurs and a spur to joblessness because it prices entry into markets out of many people's reach and creates disincentives to hire. I now have firsthand experience of how government bureaucracy systematically blocks individuals' efforts to offer services to others in order to improve their own well-being.

When I found myself with no university teaching appointment last summer, I did what any responsible believer in individual liberty would do: I took stock of my strengths. I had seven years of full-time, university-level teaching experience, and additional years of part-time teaching. Though my doctorate is in philosophy, I had once been a science major with a year each of undergraduate mathematics, chemistry, geology, and physics. So I formulated my options and realized I had the background and skills to teach high school math and science. While there may be a glut of philosophy professors, there is a well-publicized shortage of math, science, and foreign-language teachers.

It is one thing to grasp a problem or situation intellectually. It is quite another to experience it in "real time." What I learned from the experience of actually seeking a public-school teaching job made me recoil in horror.

"Are You Certified?"

The first thing I did was go to a local high school with my résumé, and transcript in hand and advertise my availability to teach math or science. I naively thought my experience as a teacher, combined with the course work clearly evident on my transcript, would make an impression. I'd hoped that all I would have to do is apply and, perhaps, take a test to demonstrate my grasp of the subject, and I'd be set. No sweat, right?

Wrong!

A receptionist immediately confronted me and asked, "Are you certified?" Knowing what I knew about government licensing, red flags went up at once. I replied that I wasn't, and requested more information. I was directed to an office about a mile away. There, again, I was unable to get past the receptionist who asked the same question, as if by rote. Again I said no and requested an application for certification. She had none, but gave me the phone number of the teacher certification division of the South Carolina Department of Education.

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I called and made an appointment. On the designated day I drove to the complex in downtown Columbia where a number of state offices are housed. The Department of Education takes up ten floors of the Rutledge Building; the teacher certification division is on the tenth floor. A women about my age gave me an informational package including brochures with titles like "Questions and Answers Related to Teacher Certification," lists of instructions on "How to Apply for a South Carolina Teaching Credential," request forms for official transcripts to be sent, a "Verification of Teaching Experience" form, a long application for an "Initial Teaching Credential," another to take an Educational Testing Service standardized examination given four times a year, and so on. A final form required fingerprints of all ten fingers to be sent to the FBI; a memorandum identifying the specific legislation behind this requirement (something called Section 59-25-115) was included.

None of this is free. The fee for the initial application for certification is $25. The registration fee for the standardized test is $30; the fee for the test itself runs anywhere from $25 to $85, depending on the content. The fingerprint review costs an additional $24.

Because there are critical shortages of teachers in certain subjects, such as mathematics, the sciences, and foreign languages, the teacher certification division developed a Critical Need Certification Program. Since the purpose of that program is to get teachers into the classroom quicker, I initially opted to pursue it, thinking I could be teaching in less than a year. Wrong again. Despite the science and math on my transcript and my evident ability to research topics quickly, teaching in any of these areas required at least a bachelor's degree, as well as a passing score on the equivalent National Teacher's Examination. My degree was in philosophy; thus my seven-years-plus university-level teaching experience was meaningless. Even with a math degree, though, the most I could have gotten in one year was "conditional certification."

More Requirements

A forest of additional requirements would have stood between conditional and actual certification, including (1) attendance at a pre-service institute at one of the local colleges "designed to prepare these prospective teachers for the opening of school and their initial involvement with students, peers and the instructional environment"; (2) attendance at eight once-a-month sessions during the school year "designed to provide a specific instruction component in addition to planning and interaction with other conditional teachers"; (3) attendance at an in-service institute the following summer "designed to address specific teaching techniques, classroom management, lab skills, etc."; (4) attendance at four additional once-a-month sessions the following school year; and (5) completion of three education courses that address such matters as "student growth and development," "exceptionalities [sic] of children," "teaching of reading in the content area," and so on. All that, of course, is in addition to the responsibilities teachers assume once they set foot in the classroom, including class preparations, grading, tutoring, informal counseling, and the like.

The government stipulates this forest of extra requirements to obtain an occupational license. Some of the language is sufficiently vague as to drive a one-time logic teacher like me up a wall. What, for example, is a "specific instruction component"? And what do they mean by "student growth and development"? Do they mean something besides learning the subject matter of a course? But that is the nature of bureaucratese. Remember, too, that the bureaucrats who originate those brainstorms draw higher salaries than do classroom teachers.

There are, of course, many would-be teachers willing to put up with this nonsense—they want to teach badly enough. That is fortunate, because without them there would be even greater shortages of qualified teachers. I decided I wasn't one of them. My disdain for "educrats" is simply

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too great. While reviewing the licensing procedure I would have to go through to teach in a South Carolina high school, I thought of Francisco d'Anconia's remark in Ayn Rand's *Atlas Shrugged* about how "when you see that in order to produce, you must obtain permission from men who produce nothing . . . and your laws don't protect you against them but protect them against you . . . you may know that your society is doomed."

Entrepreneurship, Not Bureaucracy

That may be overstating the case a little. But we know that public education is in trouble, and we know most of the reasons why. As we would expect from government bureaucracy, there are too many administrators and too few teachers, too much paperwork and too little teaching, too many discipline problems and too little freedom to do something about them, too much "self-esteem" psychobabble and too little encouragement of the values that lead to happy, successful lives. The source of the trouble: public education is not run by educators but heavy-handed bureaucrats obsessed with rules and procedures imposed from outside. For the bureaucrat, regulations matter, and for good reason: untying our hands would instantly send them scurrying to the want ads. As far as the actual business of educating goes, they have little to offer and they accomplish little except to get in the way—although they excel at interpreting every attempt to derail their gravy train as an attack on education itself.

The solution is obvious: get rid of the government licenses, get the bureaucrats out of the educational system, and sell the schools to private educational entrepreneurs to run as businesses. There is no danger that getting rid of government licensure in education will permit a flood of incompetent teachers into the classroom, for individual schools will have to compete for the best teachers and the best pupils. Reputations spread. Poor teachers will have to pursue other lines of work, and inefficient institutions will soon be out of business. Schools can administer tests and identify their own criteria for determining who is best, but there won't be room for bureaucratic foolishness.

Thus not only will there be attainable teaching jobs, but the quality of education will go up across the board. So will salaries. Schools will have to offer teachers wages at market rates in order to attract the best, with salaries increasing in those areas of undersupply. Also, fewer administrators and less overhead will mean more money for teachers and their immediate needs. Instruction will proceed without the need to jump through bureaucratic hoops.

Most of this is probably obvious, and much is common knowledge. Let's remember, though, that this is just one occupation. Today, most occupations are licensed, regulated, and ultimately controlled by the ever-present state. In some cases, the price tag for admission to the club is many times higher than it is for teaching. That gives us a ready explanation for why entrepreneurship is so difficult in today's society, and why many people who want to work cannot find jobs. The question is: when are we going to do something about it? □

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THE FREEMAN
IDEAS ON LIBERTY

When Entrepreneurs Become Victims

by Patrick Groff

For a capitalist economy to function, entrepreneurs must not be subject to gratuitous or capricious government action. It is a violation of the cardinal precepts of free markets, as well as common moral sensibilities, for government to publicly vilify legitimate entrepreneurs.

The Federal Trade Commission has often been guilty of such vilification. Recently it took after a popular educational product called "Hooked on Phonics," driving the producer, Gateway Educational Products, into bankruptcy. The product may be forced from the marketplace.

Anyone who views, listens to, or reads the mass media regularly is doubtless aware of the catchy slogan " 'Hooked on Phonics' works for me!" The large amount of advertising for "Hooked on Phonics" made the product highly recognizable. The company was planning to take the product to the United Kingdom. Then it was targeted by the FTC.

For anyone who is too far removed from his or her school days to remember, "phonics" is a method of teaching reading that relates how letters are used to represent the sounds of spoken words. The aim of phonics teaching is to develop students' abilities to look at a written word, recognize its letters, attach speech sounds to them, blend the sounds together, and finally pronounce the word. According to experimental research, students who learn to decode written words through application of phonics information inevitably learn to read better than those who do not do so. By learning the relationship between spoken and written language, students acquire an independent means to read and understand any written text that they could fathom were it read aloud to them. "Hooked on Phonics" was designed in accordance with the research results.

The FTC Charges

As a specialist in reading development who closely follows the experimental research, I was shocked to learn that the FTC charged that advertising for "Hooked on Phonics" illegally exaggerated its potential for helping people learn to read. As those who have seen the ads will recall, they by and large contained testimonials by ordinary people who used the product, and found that it dramatically improved their or their children's reading.

The FTC does not usually file complaints against advertising that contains testimonials, especially by noncelebrities. Nonetheless, the agency ordered Gateway "to forthwith cease and desist from representing, in any manner, directly or by implication," that "Hooked on Phonics" will "quickly and easily teach [large numbers of] persons

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Jobs and Trade

Unemployment is the great puzzle of our time. It perplexes politicians, confuses officials, and even entangles economists. It persists and continues to grow despite all the government programs that mean to reduce it and the tax dollars spent to alleviate it.

Some writers continue to echo the teaching of Karl Marx. For them, capitalism always creates an "industrial reserve army of labor" consisting of the mass of wage-earners who are exploited and then thrown out of their jobs. Most economists are at one with John Maynard Keynes, the economic guru of our time, who viewed unemployment as a symptom of insufficient spending. Politicians continue to cling to the Keynesian view because it supports their spending predilection.

Some old-guard politicians and writers explain unemployment in protectionist terms which are among the oldest and most controversial in economics. Unemployment, they blaze about, is the price we pay for our participation in a global economy with millions of unemployed and under-employed people who are willing to work for 25 cents an hour. "Free trade" is "unfair trade" for Americans who are condemned to the indignities and hardships of unemployment.

If foreign trade actually were responsible for the corporate layoffs, the phenomenal rise of imports and exports in recent years should have disemployed most Americans. According to U.S. Department of Commerce statistics, U.S. general imports in 1950 amounted to $8.954 billion. By 1960 they had nearly doubled to $15.073 billion. By 1970 they had risen to $40.356 billion. During the 1970s they soared to $244.871 billion, and during the 1980s to $495 billion. This year they may exceed $700 billion. Surely, if imports would destroy jobs, this 7,800 percent rise in imports since 1950 should have thrown most Americans out of work.

It is difficult to imagine our present working conditions and standards of living if the U.S. government had turned inward and closed its borders in 1950, as the Hoover Administration managed to perpetrate in 1930. Even if the disruption of trade and immediate foreign retaliation would not have brought another depression, the crushing burden which radical liberal administrations placed on the economy during the 1960s and 70s would surely have depressed the economy and drastically lowered American levels of living. Similarly, if there had been no foreign investments, the staggering budget deficits of the 1980s and '90s would have drained the capital market and paralyzed the economy.

Employment always is a phenomenon of productivity and cost. In a market economy, in

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booms and depressions, there is an unlimited demand for labor that makes productive contributions. Labor that costs more than it is expected to produce, whether it is unskilled or armed with triple degrees, is devoid of any demand. In the eyes of potential employers, it is utterly "unproductive." This applies to actors and administrators, systems analysts, software programmers, automatic engineers, and aeronautical scientists. If young Ph.D.s in mathematics are unable to find employment, employers believe them to be rather "unproductive" considering their cost and productivity.

Much university-educated labor remains unemployed because it is not in touch with the labor market. It is government-directed and taxpayer-financed. Graduating from mammoth state universities and guided by Pell grants, Work-Study grants, Stafford loans, Perkins loans, and numerous other federal and state support programs, many graduates are ill-equipped for useful employment. In nearly all fields of economic activity employers provide most of the productivity training. But they are reluctant to offer it if the expenses of the trainee are prohibitive and the final results of the training are not expected to cover the outlays.

Businessmen continually adjust to changes in demand, supply, transportation, technology, cost of labor and capital, government levies and obstacles, domestic and international competition. Every member of the market order is under pressure to adjust in order to stay productive. Of course, a person is free to ignore the pressures; the typist may continue to pound the typewriter. But she cannot justly insist that she be subsidized by fellow workers and employers. The same is true of a university-trained aeronautical engineer who has learned to build great military planes. In times of war and preparations for war he is in great demand. In peace he will have to learn peaceful pursuits. He does not have the natural right to live off the labors of others.

International competition is as beneficial as domestic competition; it forces sellers to outdo one another by offering better and cheaper goods and services and forces buyers to outdo one another by offering higher prices. Protective tariffs and other trade restrictions effect the very opposite; they permit the protected producers to offer inferior products at higher prices. They cause production to shift from places in which the natural conditions of production are more favorable to places in which they are less favorable. They force labor to move from export industries paying high wages to the protected industries that generally pay lower wages. In short, trade restrictions hamper production and thus lower the standards of living.

The competitive position of an enterprise in domestic as well as international markets is determined by its total costs of which labor costs merely are one of many components. In capital-intensive industries, such as the pharmaceutical, chemical, aeronautical, steel, tool-and-die industries, the cost of capital tends to determine competitiveness; in labor-intensive industries the total cost of labor is decisive. There are no labor-intensive American industries that compete with foreign labor. Our service industries which render valuable labor services need not fear foreign competition; they are protected by onerous immigration restrictions.

Free trade is fair trade; those who deny it to others do not deserve it for themselves.

Hans F. Sennholz

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with reading problems or disabilities to read." In deciding to proceed against "Hooked on Phonics," the FTC had to reject or ignore the abundant evidence that phonics teaching is the best way for students to learn to recognize written words quickly and accurately. Gateway was prohibited from telling potential customers that no method of teaching reading has been more successful, or that a great number of parents who school their children at home say its product works.

The FTC also dismissed, without reasonable cause, the results of a recent, well-designed experimental study of "Hooked on Phonics" in schools with low-income urban children. The independent study revealed that those children made uncharacteristically high gains in reading competence thanks to "Hooked on Phonics." The company's unconditional money-back guarantee did not deter the FTC from telling the public that the product could not be trusted to meet its claims. The mass media, always attracted to a scandal, interpreted the FTC's action to mean that "Hooked on Phonics" is a fraudulent product that consumers should avoid.

Challenges to the FTC Action

After the FTC announced that Gateway was guilty of false advertising, satisfied customers and defenders of phonics protested. The FTC said it received thousands of letters from "Hooked on Phonics" customers. Michael Farris, president of the Home School Legal Defense Association, challenged the FTC's contention that reading can only be taught by trained professionals. He reminded the agency that "more than 96 percent of home school parent-teachers" have no professional training. Farris offered the FTC standardized test data that indicated children aged five to eight who were taught phonics at home on average achieve the 87th percentile in reading. By contrast, only 24 percent of public school fourth-graders read proficiently, according to the National Assessment of Educational Progress.

House Majority Leader Richard Armey headed a congressional delegation that objected to the FTC's treatment of Gateway. James C. Miller III, a former chairman of the FTC, complained that the agency had used the "power of the state to suppress a competing technology." Robert Sweet, head of the research department of the U.S. Department of Education in the Reagan administration, strongly questioned the validity of the advice the FTC said it had received from unnamed "outside experts" that "phonics instruction may not help many people with reading problems." Sweet concluded that the FTC had acted against "Hooked on Phonics" in an attempt to disable "the phonics movement in this country."

Thanks to the massive protest, the FTC reversed itself, pleading that it had not intended to put Gateway out of business. It would be naive, however, to assume that the FTC had no preconception of the effect of its original action. The product's reputation was largely damaged. Its sales plummeted. Gateway was driven to seek relief in bankruptcy court.

Who Profits?

It is unlikely that anyone will ever discover what special interests prompted the FTC to go after "Hooked on Phonics." But we can determine who would benefit most from its demise. (It certainly would not be people with reading problems.) Sweet, who is now president of the National Right to Read Foundation, points out that "the antagonism of the education industry and its professional associations against teaching intensive, systematic phonics in schools is almost palpable." The obvious winners in the "Hooked on Phonics" affair turn out to be two influential educational organizations, the International Reading Association (IRA) and the National Council of Teachers of English (NCTE). The great commercial success of "Hooked on Phonics" was a constant embarrassment to those groups, since they strongly promote an alternative approach to reading development called "whole language." IRA and NCTE regard direct and systematic phonics teaching as

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dangerously anachronistic, and cavalierly dismiss the empirical evidence of its superiority as bogus.

The groups' devotion to the whole-language method is exemplified by their unwillingness to take seriously the disastrous consequences of its mandated use. Whole language is more popular in California than in any other state. As a result, California students are the worst readers in the nation. Whole-language teaching in Massachusetts has hurt reading achievement so badly that last year 40 distinguished professors of linguistics, cognitive science, psychology, and neurology from several eminent universities petitioned the state's commissioner of education to stop promoting it. According to those experts, whole language's practices "run counter to most of the major scientific results of more than 100 years" in their respective fields.

The widespread acceptance of the whole language approach by educators, despite the lack of supporting evidence, is ominous. The FTC attack on "Hooked on Phonics" therefore was more than just a federal agency trying to destroy a small business. The action also represents a setback to effective reading instruction at a time when, according to the U.S. Department of Education, almost 50 percent of American adults are functionally illiterate. These are ex-students, of course, many of whom learned to read by the method recommended by the IRA and NCTE.

Thus the publisher of "Hooked on Phonics" is not the only victim of the FTC's action. The injured parties in this notorious affair number in the tens of millions. They are people of all ages across the nation, who, because of the FTC's interference, may have lost their opportunity to learn to read in the most effective manner possible. □

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THE FREEMAN
IDEAS ON LIBERTY

Liberty and Responsibility: Inseparable Ideals

by Max More

The founders of the American political and economic system felt a burning desire to establish a country of unprecedented liberty. Many of those who endured the arduous journey to the New World left behind religious oppression and rigid class systems. The highhanded rule of King George III and his demands for tribute sharpened resentment of State control. America, rooted in an ideal of liberty for all, marked a proud step forward in the evolution of human political arrangements.

America still inspires those seeking escape from or reform of their own country's political arrangements, but its example no longer seems to shine as brightly. Despite significant remnants of creativity, entrepreneurship, and invention, there are more criminals, more hopeless people, more dependents and outright parasites. Too many people spend their energy and money engaged in legal battles rather than in producing. A vast bureaucracy has grown: a bureaucracy devoted to controlling productive activity and to growing ever larger.

Do such problems stem from allowing people too much liberty? Social commentators of diverse affiliation often suggest this, and call for tougher government regulation and control. As Charles Murray demonstrates in *Losing Ground,* both history and economic theory clearly show that such centralized approaches have failed and will fail. The solution lies not with central control but with the preservation and expansion of liberty. Vital to this solution is an appreciation of the relation between liberty and personal responsibility.

Dr. More is president of Extropy Institute in Marina Del Rey, California. He may be reached at more@extropy.org.

Liberty and Responsibility

Over the course of this century the ideals of liberty and personal responsibility have increasingly drifted apart. Personal responsibility cannot exist without liberty, and liberty will not endure without responsibility. Liberty without responsibility is license.

Liberty-as-license has become a widespread aspect of our culture. It manifests itself in many ways: in desires for freedom to do anything without restraint and without cost (someone else will bear the cost); the demand for income *as a right* (someone else will produce the income); the expectation of guaranteed commercial success (someone else will pay the costs of government subsidies and protection from foreign and "unfair" competition).

The survival of liberty *requires* personal responsibility. Without this connection our political institutions become a means for the shifting of blame, for compelling others to fix our problems, and for living off the efforts of others. As responsibility declines, the political system grows increasingly oppres-

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sive and burdensome. Politicians pass more laws telling people what to do and how to do it. Tax-funded handouts expand to support those who do not want to produce. The law increasingly allows unprincipled liability suits as the irresponsible seek an easy source of income. Government agencies take over, telling us what we can eat, what vitamins we may take, what risks we may assume, what we can read, and what we can paint and say.

If we do not take charge of ourselves we will soon find ourselves devaluing liberty. Choice can be confusing and frightening to those unused to it. It requires practice and commitment until it comes to feel natural. I remember reading about a visitor to the United States from the Soviet Union (as it was then). The writer told of how the Soviet visitor entered a drugstore looking for toothpaste. The variety of types and brands shocked him. He exclaimed how much easier it was in the Soviet Union, where the choice had been made for you. For liberty to remain attractive, we need to foster certain qualities of character.

Characteristics of Personal Responsibility

What does personal responsibility involve? Responsible self-direction crucially involves *rationality*: a commitment to see the world as accurately as possible rather than believing what seems easiest. A corollary of this is *self-control*. Once we see what we need to do to successfully pursue our goals, we must firmly set aside incompatible desires and resist distractions. Being responsible for ourselves also implies the virtue of *productiveness*—creating values that we can trade for other values to sustain ourselves. The virtue of *honesty* is an aspect of rationality and means the refusal to deceive ourselves or others. Honesty involves taking responsibility for our role in any situation instead of avoiding or shifting it. Being responsible for our lives necessarily also requires *perseverance* and *persistence*. If, after choosing a goal, we soon give up on it, we will fail ourselves, as well as show our unreliability to others.

If these and other virtuous qualities of character disappear from a society, liberty will also decline. Irresponsible people cease to value liberty and the challenges it presents. Liberty requires a widespread acceptance of personal responsibility. The converse is also true.

Responsibility Requires Liberty

Without the liberty to choose our own actions and make our own choices, we lose the qualities of responsibility and virtue that make us uniquely human. Our nature allows and requires us to make conscious choices rather than programming us for automatic responses. As a result, persons form differing purposes and goals. Political and economic liberty makes it possible for us to pursue these divergent ends. Without this freedom we find our choices constrained or distorted to fit the purposes of others. The more others force us to act for purposes not our own, the less able we will be to choose and pursue our own goals.

If we force a person to do "the right thing," we can have little confidence in the moral worth of that action. Only freely chosen actions reflect character. Only when people do the right thing freely can we have confidence in their character. If they act as we think they should, and they do so out of virtues such as benevolence, productiveness, and integrity, then we know their good actions resulted from a good character. If they took the action out of fear, then we can know nothing about the goodness of their character. All we will know is that we have removed an opportunity for the free exercise of virtue.

Responsibility and the State

For most of us, license always feels easier than liberty. License means taking without giving, consuming without producing, and faking instead of facing reality. License has taken over from liberty in part because of the doctrine that there is no rational basis for values. If nothing is truly good or bad, if it's all a matter of opinion, then why not follow your whims?

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Magnifying the effects of this false relativist doctrine are our political and economic arrangements. Government intervention in the economy and personal life, along with the establishment of the welfare state, have undermined responsibility. The government produces nothing; it takes from some by taxation and regulation, and gives what it has taken to others (after taking a cut for itself). Since each new tax and each new regulation imposes costs on some of us, interventionism leads to a scramble to grab what we can before it's taken from us. Government intervention thereby encourages us to focus on what we can get, rather than what we can create.

Welfarism and interventionism have both ignited claims to "positive rights"—rights to be given or guaranteed something. (The original constitutional rights were "negative"—rights to be free of interference, such as theft, government oppression, and fraud.) The United States government acts as if there are positive rights: a right to a guaranteed income or to health care (at someone else's expense), a right to an apartment at a certain maximum rent, a right to get a job even against an employer's wishes, or a right to sell a product without having to compete against overseas companies.

Those economic and social policies gradually break down the virtues needed for responsibility. Being responsible increasingly means giving up these short-term benefits. As each of us sees others being given money taken from us by taxation, or sees companies protected by subsidy or import controls, we begin to feel left out. We feel pressured to join in and grab our share, rather than work hard while others reap the benefits. Interventionism and welfarism act as a tax on responsibility. The higher this tax, the less responsibility we will see. That simple economic insight shows why, once the forces are set in motion, the overall level of intervention grows. As intervention grows, so does dissatisfaction and demands for "parity" or "fairness."

I described the acceptance of these government "benefits" as *short-term* benefits. We can resist their temptations better if we bear in mind their heavy longer-term costs. Protectionism and industrial subsidies lead to complacency, stagnation, and slow growth. The high taxation needed to pay for intervention and welfare reduces savings, making investment funds expensive. Living on welfare breeds passivity, removes one from the learning process, and destroys work habits essential to adaptation and employment.

These interventionist government practices foster envy and resentment. Many Americans no longer feel they should have to *earn* their income: we have heard repeatedly that we are each entitled to a slice of "the pie,"—as if there were a single collectively owned and created pie, rather than individually created and owned goods. Increasingly Americans, like people all around the world, have latched on to the socialist doctrine of entitlement. It embodies license, not liberty. The belief in such entitlements is corrupting our character. If we do not have what we think we are entitled to, then someone is withholding it from us. Envy festers within us. Resentment of success replaces admiration.

America was founded on an ideal of liberty, with concomitant personal responsibility. Personal responsibility requires effort, and so liberty is always vulnerable to decay into mere license.

Let us continue to stress the central place of liberty in the American political system. Let us add to this a renewed appreciation of the vital connection of liberty and personal responsibility. When implemented personally, politically, and economically, we can expect a renewal of this country's vigor, confidence, and pride. □

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THE FREEMAN
IDEAS ON LIBERTY

Rejecting Responsibility

by Russell Madden

At a recent family gathering my father and I happened to discuss some of the problems facing Social Security. My 71-year-old dad received partial disability benefits before retiring and also claims veterans' benefits from a wound he suffered in Europe during World War II. During our conversation, I pointed out that no actual funds existed in the so-called Social Security Trust Fund. The government simply spends on current expenses whatever excess revenues it gathers. The fund consists of nothing more than IOU's which would never be fully repaid. Despite impressions to the contrary, there is no saving or investing involved in Social Security, only spending and consuming.

I told my father that—though I rejected State-mandated retirement programs—adopting a plan similar to one instituted in Argentina or Chile would be a step in the right direction. By privatizing Social Security to that extent, each taxpayer would have money set aside directly for himself which could be invested and earn interest over his working lifetime. Rather than having the government simply waste Social Security taxes, each citizen would have at least a degree of control over the funds invested for him. As has been pointed out elsewhere, over a 50-year career, even a minimum-wage earner could retire a millionaire. Wealthy individuals would fare even better.

My dad complained that people could not be trusted even under this suggested coercive system. He believed that given half a chance, people would pillage their retirement funds and squander those resources while young.

This answer echoed one I had heard from a friend of mine who is in his eighties. Like my father, he felt the government should handle the funds that so many citizens rely upon for retirement. Ignoring the fact that the federal government is hardly an exemplar of prudence in financial affairs, I supposed that perhaps the similar attitudes expressed by these two men reflected some kind of generational, Depression-era mentality.

That notion found itself knocked askew at a dinner party where I talked with the host about the issue of welfare. This man is in many ways the opposite of my father. My dad never finished high school, is a former truck driver, and has little interest in philosophical discussions. My host was in his mid-forties, has been a professor at a local college for nearly two decades, and spends much of his time discussing intellectual issues.

During our pre-dinner conversation, I argued against welfare for either individuals or corporations. After establishing the social principle of rejecting the initiation of force, I said that only voluntary interactions were proper. Government's only legitimate function was to retaliate against those who violate our rights. Under no circumstances should the State itself act coercively in compelling citizens to engage in behavior that violates rights.

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My host countered with a common question: what are we to do about those who can't take care of themselves?

Whether people accept it or not, I said, as adults, we are all responsible for our own lives. Charity is available for those truly in need, but those down on their luck can only ask for help; they cannot demand it. Need is not a claim on wealth. "Forced charity" is a contradiction in terms. Whatever is done, the action must not violate someone's rights.

In examining the responses of my dad and my dinner host, I see two men different in background and separated by nearly three decades in age yet united in their belief that the State should hold the ultimate responsibility for the lives and fortunes of its citizens. As the final safety net, it must guide and control those who will not—or "cannot"—accept the reins of their own destinies. Even though my father and those like him see themselves as self-responsible, they do not think the "other guy" is capable of directing his own affairs according to his own best judgment and actions.

Defenders of freedom, however, have long contended—as I did in these encounters—that much of the political strife we face today would end if individuals accepted responsibility for their own lives and did not expect others to take care of them.

That sentiment is correct as far as it goes, but such an analysis covers only half the story. Conservatives in Congress call for personal accountability yet are not shy about *forcing* people to act in ways the politicians see as typifying such behavior. As with my dad, many private citizens see it as *their* responsibility to ensure that others are also responsible—not by assuming that role themselves on a one-on-one, face-to-face basis but by delegating that impersonal watchdog status to their favorite guardian of propriety, the State.

Being Responsible

What politicians and those sharing the views of my father and dinner host fail to realize, however, is that there is a distinction between *engaging* in responsible behavior and *being* responsible. Morally, we all should *act* responsibly. Also, morally, we all *are* responsible for our own existences, whether we behave responsibly or not. Politically, however, the State should concern itself only with the latter. When the government steps beyond the boundary of acknowledging the self-responsibility of each individual and instead seeks to force its citizens to act responsibly, it is itself behaving, well, *ir*responsibly.

As Nathaniel Branden once observed, no one plays the helplessness game on a desert island. Alone, a person must either acknowledge and accept the reality of his self-responsibility or he must die. Only in a social situation can a person pretend that his beliefs, his actions, his destiny can be directed or caused by someone else. In the context of the present discussion, however, the essential point to remember is that such evasion can succeed only to the extent that others accept and take on that ignored responsibility.

As important as the recognition and acceptance of self-responsibility are morally, politically, the failure to reject responsibility that is not theirs is the stone over which all current "reformers" must stumble. Only when people appropriately delimit what rightly belongs to their spheres of personal responsibility—and what does not—will the "helpless" face the full consequences of trying to avoid the requirements of reality. Only when the national political debate takes into account the problems arising from well-intentioned meddling will actual reform occur. Only when each of us realizes precisely what personal responsibility entails—and where it ends—will true freedom be established in this country.

Adults must be able to act in ways that are objectively foolish, silly, or harmful as long as they respect the rights of others. As much as a person may cringe to witness the self-destructive behavior of others, he must respect the moral autonomy of those people and not impose his own standards on them. What is permissible or even desirable between parents and their children must be

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rejected when dealing with those who are not family members. Contrary to the wishes and words of so many in this country today, we are not all "part of one big family," we are not our "brothers' keepers," we are not "children" subject to the dictates and punishing hand of a governmental "parent" who must ascertain and obtain what is in our best interest. Those and similar communitarian metaphors are fundamentally flawed.

In the modern parlance, an "enabler" is someone who inappropriately accepts responsibility for another person's life and creates the conditions that allow that person to continue in self-destructive actions without facing the full negative consequences of such behavior. On every level, the state is the biggest enabler of all time. Government "over-functions" when it makes it easier for people to abrogate their obligations, to slide along while others pay for their mistakes.

Pragmatists and Moralists

Any number of reasons may explain the desire of some individuals to direct others' lives. For some, "pragmatic" considerations of maintaining power, position, or prestige demand that a substantial number of citizens not accept personal responsibility. If no such group of "helpless" or "misguided" souls existed, no justification could be offered for most bureaucrats' jobs. Not only their perks but also their livelihoods would disappear. Others who champion the State may require a pool of people to "help" in order to feel superior or to feel good about themselves.

Yet even more dangerous than the "pragmatists" are those who seek to manage the lives of the unfortunate or incompetent or lazy because of "moral" considerations. The pragmatists might be convinced to abandon their positions if they could be shown other avenues offering better prospects. The moralists, however, will stick to their course no matter how much destruction their activities create. Though both groups depend on suffering and the prolonging of pain for their *raison d'être*, those who hold selfless service to others as their moral imperative have more to fear from a society in which the guiding political principle is rejection of inappropriate responsibility. The altruist descendants of Comte or Kant would find moral behavior impossible in a culture in which every person refused to violate the moral autonomy of any other individual. When a purported moral system leads to such a self-contradiction, it must be in error.

Acceptance of that very error, however, still permeates the political landscape of the world. Refusal to reject responsibility for the mistakes and misfortunes of other people sends our troops to hopeless hot spots around the globe. It creates and perpetuates the modern welfare state. It subverts our system of justice and gives rise to a criminal class unprecedented in this century. It demeans the dignity of not only those who evade the mantle of their personal responsibility but also the dignity of those who stoop to pick it up.

Knowing when to reject responsibility for the life of any other individual is a skill most people have yet to learn. Until that lesson is well mastered, the painful consequences flowing from the actions of the well-intentioned do-gooders of the world will continue to plague us. □

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THE FREEMAN
IDEAS ON LIBERTY

The Virtues of Competition

by George C. Leef

Competition is a universal and extremely powerful force. Long before we began to record history, man was competing for food, mates, and territory. Later, we found ourselves competing for jobs, resources, customers, victories in athletic contests, and awards in many different fields of human endeavor. Competition in one form or another is inevitable as long as the things we desire remain scarce, that is, as long as there is not enough for everyone to have all that he wants.

Sometimes the nature of competition is peaceful, and when that is the case, the results are beneficial to mankind, even though the immediate losers may suffer for a time. Sometimes, however, the nature of competition is violent and then the results are harmful to mankind, usually leaving even the "winners" worse off when all the costs are taken into consideration.

As noted, competition is thrust on us by nature. Scarcity is a fundamental and inescapable fact of life. Whenever two or more people want the same thing, the necessary consequence is some form of competition to determine who will have it.

Violent competition is, of course, not virtuous. Nothing good comes from perfecting the talents for murder and plunder. When I speak of the virtues of competition, I refer exclusively to peaceful competition—the kind that comes about when people must act only in ways that do not violate the rights of life, liberty, and property, which all human beings possess. Peaceful competition impels each competitor to continually improve his skills, his efficiency, and the desirability of his product or service. It is understood by all that sloppiness, carelessness, waste, and indifference to the desires of others will be punished. Of course, the punishment is not physical, administered by a malevolent authority, but rather the punishment of not getting what one wants, or least not as much as one wants, because people have chosen to deal with others instead.

Everyone knows that competition reigns in the worlds of business, politics, and sports. The results of competition there are brought to our attention daily. What most people do not perceive is that competition also exists (usually, anyway) among nonprofit service institutions, and that when it does, those institutions are affected by it in the same beneficial way that more obviously competitive institutions are. Nonprofit organizations are impelled to operate as efficiently as possible lest they lose the support of their financial backers.

Competition and Charity

Consider private charitable organizations. We have a great many of them—dedicated to assisting needy people, to helping fight serious diseases, to achieving certain environmental goals, to promoting the fine arts, and so on. They are nonprofit institutions, but that only means that they

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must spend all their revenues. The fact that they are not trying to earn profits for stockholders, however, does not mean that they are not under competitive pressure. If a charitable institution earns a reputation for having lavish offices, high expense accounts and salaries for administrators, and other expenditures that do not help to achieve its stated goals, contributions will most likely decline. After all, people do not have unlimited funds to contribute and will redirect their money to other charities in which they have more confidence.

Just as sellers of products are competing for a limited number of consumer dollars, so are the administrators of charities competing for a limited number of contributor dollars. Poor quality products will probably cause sales to fall off, and for that reason, business managers are alert to quality problems and try to prevent them from occurring. It is in their self-interest to do so. By the same token, administrators of charities do not want to be perceived as running low-quality organizations. Self-interest motivates them to try to get the maximum amount of benefit from the dollars donated.

The parallel here is not exact because it is more difficult for contributors to get good information about how effectively the institutions to which they contribute are run than it is for consumers to get information on the quality of the products they purchase. The consumer directly experiences the products, whereas the contributor seldom directly experiences the endeavors of the charities he supports. Nevertheless, there is still some competitive discipline exerted on those who run charities. If they operate inefficiently, that information may leak out and be publicized. That has happened often enough that it presumably exercises some influence over the decisions of the administrators. The possibility of losing contributions to other organizations leads to greater efficiency in the pursuit of a charity's objectives.

But what if charities were guaranteed a steady or expanding flow of revenue regardless of how well or poorly they perform their missions? The predictable result would be rising costs and falling efficiency. If there is no looming penalty for sloth and inefficiency, the human tendency will be to slide in that direction. We find exactly that in government-run charities, that is, welfare programs. By all accounts, welfare programs have significantly higher administrative expenses and are less adept at making sure that funds are spent effectively than are their private counterparts.

The difference is that while there is a direct link between contributions and private charities, there is no such link between taxpayers and welfare bureaucracies. The absence of that link gives the people who run those institutions the latitude to operate with a high degree of inefficiency and the luxury of not having to worry about it. Even though it is widely known that welfare fraud is commonplace, the administrators of welfare programs do not need to fear that their budgets will shrink because angry taxpayers decide to take their money elsewhere. They can't. And that makes the administrators unaccountable and irresponsible.

Competition and Education

Precisely the same analysis applies to schools. Private schools have to compete for financial support. Tuition dollars and donations cannot be taken for granted. If a school does not continue to satisfy parents, they can and will enroll their children elsewhere. If it pursues educational or noneducational ends that alumni disapprove of, it will probably experience a decline in support. That private schools must compete for students and money motivates the people who run them to put forth an educational "product" that is at least reasonably good and often very good.

Competition also motivates private school administrators to search for ways to improve so they might fare even better in the future. Entrepreneurial discovery is not unique to profit-seeking businesses. Private school officials are keenly interested in finding improved ways to deliver their services. Any improvement may translate into more satisfied customers. But any change will be

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carefully considered before it is implemented, and it will be monitored to see if it works as expected. Failed innovations are quickly dropped.

Government-run schools, in contrast, are insulated from the gusty winds of competition. Because their funding does not come directly from satisfied parents and willing donors, their administrators need not worry about adverse consequences of their actions. If students graduate who cannot read or write, that is no reason for concern—the money will flow anyway. In fact, the worse the performance, the better the chances that the authorities will be persuaded to increase the school budget to deal with the educational crisis the administrators created.

Government-school officials have a different view of innovation. Again, since their revenues do not depend on satisfying parents, the innovations they introduce will not likely be intended to satisfy them. Instead, innovations will aim at satisfying those who directly support them, chiefly politicians and certain special-interest groups. For example, an automatic test-scoring machine might be popular with the teachers union and therefore an attractive investment, despite the fact that such devices are apt to lead to tests with fewer or no essay questions and thus less attention to how well students write. Trendy curriculum changes such as "multicultural studies" programs are another example. They please politicians and special-interest groups, but mean less class time for learning what used to comprise the core of education. Many parents disapprove, but why bother with their concerns? They have no choice but to keep sending in their money.

Competition and Performance

I have discussed charitable organizations and schools, but this analysis applies, I submit, to all human institutions. Whenever any kind of institution is freed from the need to compete for revenues, the results we can expect are wholly undesirable: declining quality, increasing costs, irresponsible and high-handed management. Competition makes people feel insecure and that is a good thing. When people feel insecure, they strive to become more secure and that in turn causes them to do their utmost to serve those who patronize them. In the end, they reduce scarcity and lift society.

It follows that one of the worst mistakes we can make is to exempt an institution from competition. Once we do that, once we sever that vital connection between performance and revenue, we dramatically alter the incentives that people face. No longer must they focus their energies and abilities on doing their best to please customers or contributors. Now revenues and resources can and will be used to make life more comfortable for the administrators, including ongoing endeavors to preserve the cherished competition-exempt status. Alertness and efficiency inevitably decline. Society suffers.

Freedom and Competition

Competition is the natural state of affairs. Competing for jobs, promotions, customers, loans, donors, students, victories, mates, space in magazines, and many other things is unavoidable. Other people are constantly attempting to satisfy their desires out of a limited quantity of resources, and that means that each of us has to assert himself—to compete—to get the things we want. As long as others are free to pursue their objectives, whether they are self-interested or altruistic, we will find ourselves having to compete with them.

The attempt to escape from competition can therefore be accomplished only by using coercion to prevent others from pursuing their objectives. If the managers and workers of the U.S. Postal Service want to be free from competition in the delivery of mail, that can be accomplished only by threatening legal penalties, which is to say violence, against others who would like to deliver mail. If the public schools wish to be free from the competition of educational alternatives, that requires taxing people who do not want their money going to public schools. If domestic peanut growers want to

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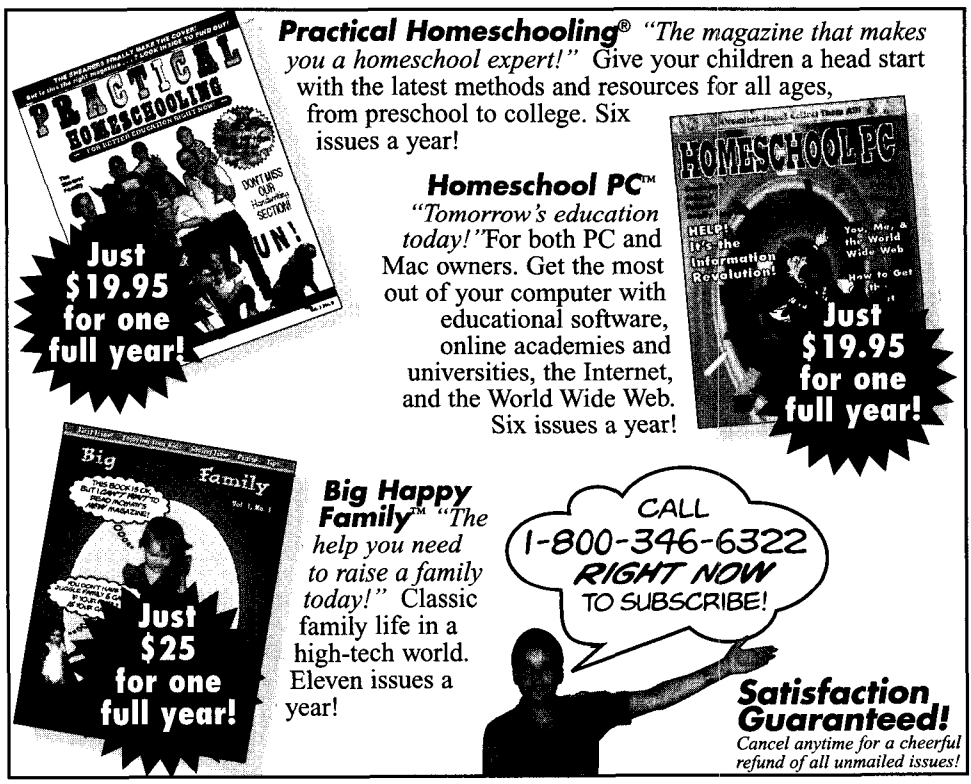
be free from the competition of foreign peanut growers, that requires governmental force to prevent peanut transactions in excess of the arbitrary import quota set by federal law. It is only through a willingness to employ violence or the threat of violence, either personally or under the auspices of the State, that people or institutions can attempt to escape from the rigors of competition. But in fact, they merely substitute peaceful competition (the market) for the violent kind (politics). We must, therefore, choose: do we prefer a world of freedom and competition or one where the unscrupulous use coercion to stifle or eliminate economic competition where it benefits them to do so?

Conclusion

Most people understand that it is a good thing for businesses to have to compete. What I hope more people will appreciate now is that it is *universally* a good thing for people and institutions to have to compete. To eliminate the need to compete is to eliminate a host of beneficial incentives for optimizing performance and to embrace the dangerous idea that coercion is acceptable. That is always a bad idea. □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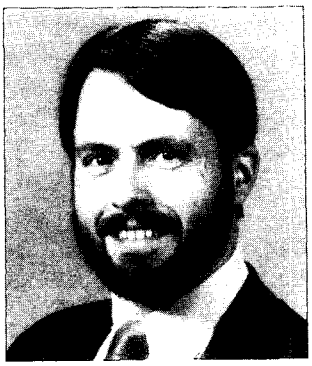

Private Prejudice, Private Remedy

There may be no more politically contentious issue than race. The federal government has created a vast racial spoils system that often helps those who least need assistance. To be well-educated and well-connected—that is, successful—is to gain the most from a system supposedly intended to help the victims of discrimination.

But the perversion of such programs is not the most important reason to dismantle racial norming, quotas, preferences, and other forms of discrimination against the "majority." Justice should be based on individual, not group, treatment. To favor someone simply because he or she is black (or Hispanic, or whatever) is morally wrong. Doing so is also, in the long run, socially destructive, causing everyone to look at almost everything through a racial lens. The most elemental decisions about education and employment become political; even private relationships increasingly polarize as everyone squabbles over their supposed "entitlement" by color. Lest one doubt the damage being caused by racial politics in America, one need only turn to two recent books: Paul Craig Roberts and Lawrence M. Stratton's *The New Color Line: How Quotas and Privilege Destroy Democracy* (Regnery) and Terry Eastland's *Ending Affirmative Action: The Case for Colorblind Justice* (Basic).

Race also underlies most of the other critical issues facing our society: crime, economic opportunity, education, poverty, welfare. Too many political debates quickly descend into vicious squabbles over race, even though the solutions are usually simple to discern. African-Americans are almost invariably the victims of perverse government policies, which, though racially neutral on their face, have a highly disparate impact. The minimum wage disproportionately bars urban youth from the job market; welfare disproportionately disrupts inner-city families and communities. And so on. Here, too, less state control and more individual freedom and community responsibility are the answer.

Yet to criticize government intervention on race, especially the tendency of people to turn every private dispute, no matter how small, into a public crisis—via a formal lawsuit, government prosecution, or federal program—carries with it a responsibility to criticize acts of private discrimination and intolerance. That is, if we really believe that public law should not reach every obnoxious private act, then people who are moral as well as free should practice the alternative: applying social sanctions.

The need for private action is probably greater than realized by most middle-class whites. Imagine stopping by the mall and buying a shirt that you liked. Imagine returning to the shop the next day wearing the

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shirt. Imagine being accosted by two security guards, demanding to see the receipt for your shirt—which, not surprisingly, you didn't think to bring with you. Imagine being ordered to strip off the shirt and, even though a cashier remembered selling you one, told to bring in the receipt to retrieve your shirt.

Seem improbable? If you're a middle-aged white, it's inconceivable. Any employee going up to such a customer and saying, "Excuse me, sir—that shirt looks like the type we stock. Where's your receipt?" would earn a quick trip to the unemployment line.

But an Eddie Bauer clothing store in a Washington, D.C., suburb forced Alonzo Jackson, a 16-year-old black male, to literally give the shirt off of his back to store security personnel. He went home in his t-shirt. He did find the receipt, though not without some effort. The store's management wasn't entirely satisfied: explained spokeswoman, Cheryl Engstrom, "The amount on the receipt matched the purchase, although the stub didn't specifically indicate whether or not it was the same shirt." However, Engstrom added, the store "gave him the benefit of the doubt and let him keep it anyway." Mr. Jackson was lucky the store guards weren't checking underwear as well as shirts.

The treatment of Alonzo Jackson dramatically demonstrates why race remains such a painful and divisive issue. Store personnel implicitly accused Jackson of being a criminal and took his property—because he was black. It took a torrent of angry letters and phone calls from whites and blacks alike before the company formally apologized.

That young black males are treated badly because they are young black males is not new. Cab drivers are less likely to pick up and jewelers less likely to buzz into locked shops African-American males. Stores are, as Jackson certainly knows, more likely to suspect young black males of shoplifting.

The fear of African-American men is shared by many African-Americans—black cab drivers also pass by black pedestrians. It was Jesse Jackson, of all people, who once observed that "There is nothing more painful to me at this stage in my life than to walk down the street and hear footsteps and start thinking about robbery—then look around and see someone white and feel relieved."

Yet this understandable fear of a small number of predators who commit a disproportionate share of crimes penalizes the vast majority of African-Americans who are not only decent, law-abiding people, but also the primary victims of crime. Explains the Justice Department, "Black households, Hispanic households, and urban households were the most likely to experience crime." In fact, blacks are 50 percent more likely than others to be victimized by a violent crime. People like Alonzo Jackson are paying twice—they are more likely to suffer from crime and be suspected of being criminals.

And that has a larger social impact. Such treatment can only fan anger, frustration, and resentment. Victimology has become big business, with most everyone wanting to be called, and recompensed for allegedly being a victim. But there are real victims, like Jackson.

What can we do? Some of the answers, as noted earlier, are better policy. Crime must be detected, punished, and deterred, especially in poor neighborhoods, where residents are so vulnerable. The government's educational monopoly must be broken, giving disadvantaged students a chance to receive a real education. The economy needs to be deregulated and opened to help everyone, rather than controlled to enrich special interests, such as labor unions, which back laws like the Davis-Bacon Act, which restrict the hiring of minorities.

Racism is harder to address, especially through government. Some race-based decisions, like those of cab drivers who pass by blacks, reflect reasons other than prejudice. Are we really prepared to penalize people who, even if wrongly, believe their lives might be in danger—especially when today's anti-discrimination laws have misfired, creating a quota mentality and encouraging disappointed job-seekers to routinely scream racism?

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We especially need to steer clear of the quota temptation that has so entranced politicians in Washington and across the nation. When the high school in Piscataway Township, New Jersey, facing the need to lay off one of ten business education teachers, fired Sharon Taxman because she was white, it compounded rather than alleviated injustice. Cases like this also ensure that anger, frustration, and resentment will rise among whites as well as blacks.

At the same time, the kind of racist behavior exhibited by Eddie Bauer should be criticized and treated as socially unacceptable. As it was when consumers of all races demanded that Eddie Bauer apologize to Alonzo Jackson, else they would take their business elsewhere.

And this is how it should be. As individuals, we need to insist that racism is wrong. That means speaking out and taking action when necessary. The burden for doing so falls especially heavily on those of us who don't believe that every instance of offensive behavior should be a crime. If political society is to do less, as it should, then civil society must do more. It becomes the duty of every one of us to help shape society's moral code. □

HAD ENOUGH?

Had enough of the liberal bias in the popular news media? Had enough of "donating" an increasing amount of what you earn to support inefficient, bloated social programs? Had enough of watching our culture degenerate before your eyes? Do you feel like a stranger in an increasingly strange land?

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THE FREEMAN
IDEAS ON LIBERTY

Alexis de Tocqueville: How People Gain Liberty and Lose It

by Jim Powell

Alexis de Tocqueville was a gentleman-scholar who emerged as one of the world's great prophets. More than a century and a half ago, when most people were ruled by kings, he declared that the future belonged to democracy. He explained what was needed for democracy to work and how it could help protect human liberty. At the same time, he warned that a welfare state could seduce people into servitude. He saw why socialism must lead to slavery.

Tocqueville staked his life on liberty. "I have a passionate love for liberty, law, and respect for rights," he wrote. "I am neither of the revolutionary party nor of the conservative. . . . Liberty is my foremost passion."

Reflecting on Tocqueville's famous book *Democracy in America*, historian Daniel J. Boorstin observed: "The most interesting question for the newcomer to Tocqueville is why this book, of all the myriad travel accounts of the United States, should have become a classic—the standard source for generalizing about America. From Tocqueville's era, two best-selling books on the United States—Mrs. Trollope's *Domestic Manners of the Americans* (1832) and Charles Dickens' *American Notes* (1842)—by more clever stylists and more acute observers than Tocqueville, survive only as scholarly footnotes. They tell us about those curious earlier Americans, but Tocqueville tells us about ourselves. He speaks to us every day."

Tocqueville was a good listener with a keen memory. He had a remarkable mind capable of discerning trends which almost all his contemporaries missed. He drew shrewd lessons from experience. He envisioned the insidious long-term consequences of government intervention.

To be sure, as a member of the landed gentry who earned most of his income from tenant farmers, Tocqueville shared the usual aristocratic prejudices against business enterprise. He hardly uttered a word about the industrial revolution that enabled millions to avoid starvation.

He worked long hours completing important books despite health problems that plagued him most of his life. He suffered migraine headaches, neuralgia, and stomach cramps lasting a week at a time. Undoubtedly these afflictions were a major reason why he was often irritable.

Mr. Powell is editor of Laissez Faire Books and a senior fellow at the Cato Institute. He has written for the New York Times, *the* Wall Street Journal, Barron's, American Heritage, *and more than three dozen other publications.* *Copyright © 1996 by Jim Powell.*

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In his books, Tocqueville seems like a realist, yet his letters suggest he was a romantic who dreamed of great adventures and endured bouts of depression. At 19, he wrote a friend that he wished "to roam about for the rest of time." When he was nearly 30, after *Democracy in America* became a hit, he lamented: "Oh! How I wish that Providence would present me with an opportunity to use, in order to accomplish good and grand things . . . this internal flame I feel within me that does not know where to find what feeds it." At 41: "Perhaps a moment will come in which the action we will undertake can be glorious."

Tocqueville, according to Yale University historian George Wilson Pierson, was "almost diminutive in stature; a dignified, reserved, shy little gentleman, delicate of feature and restrained in gesture. Proud, dark, troubled eyes arrested the glance and fitfully illuminated his pale and serious face. A sensitive mouth and lightly cleft chin, below a strong aquiline nose, betrayed his breeding and bespoke a more than ordinary determination. The finely shaped head was darkly framed in his long black hair, which he wore falling in locks to his shoulders, in the proud fashion of the day. When receiving, or conversing, he waved his narrow hands with grace and distinction. And, when he spoke, a resonant and moving voice, surprising in so small and frail a body, made his listeners forget all but the intense conviction and innate sincerity of the man."

Early Influence

Alexis-Charles-Henri Clérel de Tocqueville was born the youngest of three boys July 29, 1805, in Paris. His father Hervé-Louis-François-Jean-Bonaventure Clérel was a 33-year-old landed aristocrat descended from Norman nobles. His mother was Louise-Madeleine Le Peletier Rosanbo, also 33. They were imprisoned during the French Revolution, maintained their royalist ties throughout the Napoleonic era, and after the restoration of the Bourbon dynasty in 1815 Hervé served as a regional government administrator. Alexis was tutored by Abbé Lesueur, a priest who taught devotion to the Catholic Church and the French monarchy.

At 16, Alexis began exploring his father's library, which included such provocative French Enlightenment authors as Montesquieu and Voltaire. "When I was prey to an insatiable curiosity whose only available satisfaction was a large library of books," he recalled, "I heaped pell-mell into my mind all sorts of notions and ideas which belong more properly to a more mature age. Until that time, my life had passed enveloped in a faith that hadn't even allowed doubt to penetrate into my soul. Then doubt entered, or rather hurtled in with an incredible violence, not only doubt about one thing or another in particular, but an all-embracing doubt. All of a sudden I experienced the sensation people talk about who have been through an earthquake."

Rather than become an officer in the French army like his two brothers, Alexis preferred the intellectual career for aristocrats—law. He studied law from 1823 to 1826, then traveled in Italy with his brother Edouard. Alexis's most memorable experience was seeing how war and despotism had ravaged the land, and he wrote over 350 pages of notes on the subject. He pondered how once-mighty civilizations could perish.

In 1827, his father had him appointed as a judge at Versailles, serving the Bourbon monarchy. He seemed the very proper French aristocrat, but he was aboil. "I had spent the best years of my youth," he wrote later, "in a society that seemed to be regaining prosperity and grandeur as it regained freedom; I had conceived the idea of a regulated and orderly freedom, controlled by religious belief, mores and laws; I was touched by the joys of such a freedom, and it had become my whole life's passion. . . ."

On July 25, 1830, people arose and drove the Bourbon King Charles X into exile. The new king was Louis Philippe from the House of Orleans. Tocqueville figured this was better than chaos, so he took a new loyalty oath like many other judges, outraging his friends and relatives. But the king didn't

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trust holdovers. Tocqueville was demoted to a post without pay.

His warm and easy-going friend Gustave de Beaumont, a fellow judge at Versailles, was in a similar fix. Since the Chamber of Deputies talked about reforming the criminal code, Tocqueville and Beaumont got official permission to see America and study the prison system there. Their families would pay expenses. The two men canvassed friends and relatives about possible contacts in America. They studied American literature. They read some of the travel books which Europeans had written about America. Tocqueville spent 40 francs on a leather trunk to carry two pairs of boots, a silk hat, hose, and other fashionable apparel, plus note paper and a copy of *Cours d'économique politique* by French laissez-faire economist Jean-Baptise Say.

Travels in America

On April 2, 1831, Tocqueville and Beaumont boarded the American ship *Le Havre*. It had an 18-man crew, 163 passengers, and a cargo of silk from Lyons. After four days of seasickness, Tocqueville and Beaumont adopted a daily schedule which they continued in the United States: up around 5:30 a.m., work till breakfast at 9, then work from 11 to 3 p.m., then dinner and work until bedtime—they didn't join other passengers for supper. After 38 days, they reached New York.

During the next nine months, they toured cities—New York, Albany, Boston, Philadelphia, Washington, Montreal, and Quebec. They passed through towns like Buffalo, Cincinnati, Detroit, Knoxville, Louisville, Mobile, Montgomery, Nashville, Memphis, New Orleans, and Pittsburgh. They ventured into the hinterlands as far west as Lake Michigan. They visited Niagara Falls. They traveled along the Hudson River Valley. They saw the Mohawk River Valley, the setting for James Fenimore Cooper's bestselling novel *The Last of the Mohicans*. They took a boat trip down the Mississippi River. They inspected many prisons.

They met many notable Americans including Unitarian leader William Ellery Channing, historian Jared Sparks, Senator Daniel Webster, former President John Quincy Adams, and Texas adventurer Sam Houston. They talked with Cincinnati lawyer Salmon Chase, who was to become Chief Justice of the Supreme Court, and with Charles Carroll, last surviving signer of the Declaration of Independence.

Return to France

Soon after they left America on February 20, 1832, they began to write the promised book on America's penal system. Beaumont did most of it. The book was published in January 1833 as *Du système pénitentiaire aux États-Unis, et de son application en France*. They believed many prisoners could be reformed through isolation and work, but they insisted the primary purpose of imprisonment must be to punish wrongdoers. The work was a critical success, and the Académie Française awarded them the prestigious Montyon Prize.

Although they had talked about collaborating on a book about America, their interests diverged. Beaumont, most concerned about slavery, wrote a novel called *Marie, ou l'esclavage aux États-Unis*. Tocqueville was fascinated with American social and political life because of the difficulties his own country had developing institutions favorable to liberty.

Tocqueville attributed the upheavals his family lived through to centralized government: "Most of those people in France who speak against centralization do not really wish to see it abolished; some because they hold power, others because they expect to hold it. It is with them as it was with the pretorians, who voluntarily suffered the tyranny of the emperor because each of them might one day become emperor. . . . Decentralization, like liberty, is a thing which leaders promise their people, but which they never give them. To get and to keep it the people might count on their own sole efforts: if they do not care to do so the evil is beyond remedy."

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He observed that liberty makes for a peaceful social order. "Picture to yourself," Tocqueville wrote a friend, "a society which comprises all the nations of the world—English, French, German: people differing from one another in language, in beliefs, in opinions; in a word a society possessing no roots, no memories, no prejudices, no routine, no common ideas, no national character, yet with a happiness a hundred times greater than our own. . . . How are they welded into one people? By community of interests. That is the secret!"

Tocqueville decided that before he could write about liberty and democracy, he had to better understand England, which pioneered limited government. He visited the country for five weeks in 1833. "England," he noted, "is the land of decentralization. We have a central government, but not a central administration. Each county, each borough, each district looks after its own interests. Industry is left to itself. . . . It is not in the nature of things that a central government should be able to supervise all the wants of a great nation. Decentralization is the chief cause of England's material progress."

Democracy in America

He spent almost a year writing the first two volumes of *De la Démocratie en Amérique*. He worked in an attic room of his parents' Paris house, 49 rue de Verneuil, Paris. In mid-September 1833, he wrote Beaumont: "Upon arriving here, I threw myself on America in a sort of frenzy. The frenzy is still going on, though now and then it seems to die down. I think my work will benefit more than my health, which suffers a little from the extreme exertion of my mind; for I hardly think of anything else as I fire away. . . . From morning until dinner time my life is altogether a life of the mind and in the evening I go to see Mary."

He was referring to Mary Mottley, an English commoner he had met while a judge at Versailles. They got married October 26, 1835. She had a calming influence, but unfortunately, she couldn't keep up with his interests. "In our hearts we understand each other," he told a friend, "but we cannot in our minds. Our natures are too different. Her slow and gradual way of experiencing things is completely foreign to me." They didn't seem to have much fun.

Meanwhile, the first two volumes came out on January 23, 1835. Tocqueville was 29. The publisher, Gosselin, reportedly hadn't read the manuscript and agreed to issue only 500 copies. But Tocqueville publicized the book via newspaper advertisements, and an ideological adversary unintentionally drew attention to the book by attacking it in a newspaper article. An immediate hit, the book won another Montyon Prize which brought a 12,000-franc award, and it was reprinted eight times before the last two volumes appeared in April 1840. They were less successful commercially than the first two, but critics considered them more important, and they helped buoy Tocqueville's reputation.

"Essential Doctrines"

Henry Reeve, a 22-year-old editor of the influential *Edinburgh Review*, began translating the book into English, and a revised version remains the most popular translation. In the October 1835 *London and Westminster Review*, English thinker John Stuart Mill called *Democracy in America* "among the most remarkable productions of our time." Mill gave the last two volumes an even bigger boost in the October 1840 *Edinburgh Review*: "the first philosophical book ever written on Democracy, as it manifests itself in modern society; a book, the essential doctrines of which it is not likely that any future speculations will subvert, to whatever degree thay may modify them. . . ." Mill asked Tocqueville to write an article for the *London and Westminster Review*, giving him further exposure in the English-speaking world. The book was also translated into Danish, German, Italian, Russian, Serbian, and Spanish.

A Broad Vision

His book had a lasting impact because he offered a broad vision rather than a journal-

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istic chronicle which would become dated. He was interested in the workings of democracy and illustrated general principles with his observations about America, the largest country to try democracy. He wrote from the standpoint of an outsider, concerned about what America meant for liberty in France and elsewhere.

Tocqueville was the man who discovered American individualism—he described it somewhat negatively as "a mature and calm feeling which disposes each member of the community to sever himself from the mass of his fellow-creatures, and to draw apart with his family and friends." Yet he talked approvingly about self-help, a hallmark of American individualism. For example: "The citizen of the United States is taught from infancy to rely upon his own exertions in order to resist the evils and the difficulties of life; he looks upon the social authority with an eye of mistrust and anxiety, and he claims its assistance only when he is unable to do without it."

Tocqueville explained what people everywhere came to recognize as the American dream: "There is no man who cannot reasonably expect to attain the amenities of life, for each knows that, given love of work, his future is certain. . . . No one is fully contented with his present fortune, all are perpetually striving, in a thousand ways, to improve it. Consider one of them at any period of his life and he will be found engaged with some new project for the purpose of increasing what he has."

Tocqueville commended the peaceful influence of free enterprise. "I know of nothing more opposite to revolutionary attitudes than commercial ones. Commerce is naturally adverse to all the violent passions; it loves to temporize, takes delight in compromise, and studiously avoids irritation. It is patient, insinuating, flexible, and never has recourse to extreme measures until obliged by the most absolute necessity. Commerce renders men independent of one another, gives them a lofty notion of their personal importance, leads them to seek to conduct their own affairs, and teaches how to conduct them well; it therefore prepares men for freedom, but preserves them from revolutions."

Tocqueville observed how liberty and the need for social cooperation give people incentives to be virtuous. "I have often seen Americans make great and real sacrifices to the public welfare; and I have noticed a hundred instances in which they hardly ever failed to lend faithful support to one another. The free institutions which the inhabitants of the United States possess, and the political rights of which they make so much use, remind every citizen, and in a thousand ways, that he lives in society. They every instant impress upon his mind the notion that it is the duty as well as the interest of men to make themselves useful to their fellow creatures; and as he sees no particular ground of animosity to them, since he is never either their master or their slave, his heart readily leans to the side of kindness."

Tocqueville denounced American slavery, saying "the laws of humanity have been totally perverted." He anticipated civil war. He predicted blacks and whites would have a tough time getting along after the abolition of slavery, but he expressed confidence that blacks could do fine if truly liberated: "As long as the Negro remains a slave, he may be kept in a condition not far removed from that of the brutes; but with his liberty he cannot but acquire a degree of instruction that will enable him to appreciate his misfortunes and to discern a remedy for them."

Tocqueville warned against war and violent revolution: "it is chiefly in war that nations desire, and frequently need, to increase the powers of the central government. All men of military genius are fond of centralization, which increases their strength; and all men of centralizing genius are fond of war. . . . A people is never so disposed to increase the functions of central government as at the close of a long and bloody revolution. . . . The love of public tranquillity becomes at such times an indiscriminate passion, and the members of the community are apt to conceive a most inordinate devotion to order."

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The Welfare State

With phenomenal foresight, Tocqueville predicted that the welfare state would become a curse. For example: "Above this race of men stands an immense and tutelary power, which takes upon itself alone to secure their gratifications and to watch over their fate. That power is absolute, minute, regular, provident, and mild. It would be like the authority of a parent if, like that authority, its object was to prepare men for manhood; but it seeks, on the contrary, to keep them in perpetual childhood; it is well content that the people should rejoice, provided they think of nothing but rejoicing. For their happiness such a government willingly labors, but it chooses to be the sole agent and the only arbiter of that happiness; it provides for their security, foresees and supplies their necessities, facilitates their pleasures, manages their principal concerns, directs their industry, regulates the descent of property, and subdivides their inheritances; what remains, but to spare them all the care of thinking and all the trouble of living?"

"Our contemporaries," he continued, "combine the principle of centralization and that of popular sovereignty; this gives them a respite: they console themselves for being in tutelage by the reflection that they have chosen their own guardians."

Like some other nineteenth-century gentleman-scholars such as Thomas Macaulay, Tocqueville hoped to shape public policies. He spent a dozen frustrating years as an elected representative in the Chamber of Deputies and Constituent Assembly where he focused on such controversies as abolishing slavery in French colonies. For five months, he served as Finance Minister. But he had little influence on François Guizot (pro-business) or Louis Adolph Thiers (moderate opposition) who utterly dominated French politics during this era.

During the Revolution of 1848, which toppled King Louis-Philippe, socialism reared its ugly head. Tocqueville was far ahead of his time in seeing why it must mean slavery, as he told fellow representatives: "Democracy extends the sphere of individual freedom, socialism restricts it. Democracy attaches all possible value to each man; socialism makes each man a mere agent, a mere number. Democracy and socialism have nothing in common but one word: equality. But notice the difference: while democracy seeks equality in liberty, socialism seeks equality in restraint and servitude."

Since Tocqueville believed individuals should be judged on their own merits, he rejected the racist theories of Arthur de Gobineau who wrote *The Inequality of Human Races* (1855). For example, Tocqueville told Beaumont that Gobineau "has just sent me a thick book, full of research and talent, in which he endeavors to prove that everything that takes place in the world may be explained by differences of race. I do not believe a word of it. . . ." To Gobineau, he wrote, "What purpose does it serve to persuade lesser peoples living in abject conditions of barbarism or slavery that, such being their racial nature, they can do nothing to better themselves, to change their habits, or to ameliorate their status?"

Interpreting the French Revolution

In Tocqueville's last great work, *L'Ancien Régime et la Révolution* (1856), he interpreted the French Revolution, which ignited war throughout Europe. Once again, he confronted the demon of centralized government: "the object of the French Revolution was not only to change an ancient form of government, but also to abolish an ancient state of society . . . clear away the ruins, and you behold an immense central power, which has attracted and absorbed into unity all the fractions of authority and influence which had formerly been dispersed amongst a host of secondary powers, orders, classes, professions, families and individuals, and which were disseminated throughout the whole fabric of society."

Tocqueville's health had always been delicate, but it took a turn for the worse in March 1850 when he spat blood—tuberculosis. It went into remission for several

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years, then became more serious. He could talk only in a low voice. Advised to spend time in a sunny climate, he and Mary went to Cannes in January of 1859. Lord Brougham, an English friend who lived there, made available his luxurious library so Tocqueville could relieve the boredom of illness.

He suffered agonizing pain in his stomach and bladder. On March 4, 1859, he wrote Beaumont: "I know nothing that has ever grieved me so much as what I am going to say to you . . . COME. COME, as fast as you can. You alone can put us back on the field. Your cheerfulness, your courage, your liveliness, the complete knowledge you have of us and our affairs, will make easy for you what would be impracticable for someone else. Come. . . . Let me treat you like a brother; have you not been a thousand times more in a thousand situations! . . . Come . . . I embrace you from the depth of my soul." Beaumont hurried to be by Tocqueville's side.

Tocqueville lost consciousness and died around 7 p.m., April 16th. He was returned to Paris and buried in Tocqueville, Normandy, his family's birthplace. The following year Beaumont, steadfast for more than 30 years, published his friend's works and correspondence.

Tocqueville fell out of fashion during the late nineteenth century, perhaps because Germany, not America, seemed to have caught the wave of the future. German Chancellor Otto von Bismarck embraced socialism and established the first modern welfare state, and people everywhere looked to Germany for leadership.

But socialism triggered communism, fascism, Nazism, and other brutal tyrannies that slaughtered tens of millions during the twentieth century. The welfare state shackled hundreds of millions more with taxes and regulations. Then after World War II, America emerged as the world's brightest hope. Tocqueville predicted it all.

Now he's hailed as a prophet. Recent decades have brought the most comprehensive biography of him (1988) and new editions of his complete works—the latest beginning in 1991. Today everyone can see for themselves the wonder of this troubled man who peered into the mists of time, warned against the horrors of collectivism and boldly proclaimed redemption through liberty. □

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How Real Is the Asian Economic Miracle?

"Singapore grew through a mobilization of resources that would have done Stalin proud."

—Paul Krugman, "The Myth of Asia's Miracle," *Foreign Affairs* (November/December, 1994)

The post-war Asian economic miracle has come as a great shock to the economics profession. In my review of the top-ten textbooks *(Economics on Trial,* Irwin, 1993), few economists tell the wonders of Japanese prosperity and none reveals the secrets of the Four Tigers (Hong Kong, Singapore, Korea, and Taiwan) or the newly industrialized economies (Indonesia, Malaysia, and Thailand).

A desperate, starving, shattered Japan of 1945 was one of the poorest countries on earth. There were no skyscrapers, no wealthy banks, no automobile and electronics industries. Yet within a single human lifespan, Japan has become an economic superpower, ranking second behind the United States among the world's richest nations.

Hong Kong has faced gigantic problems: six million people jammed into 400 square miles, with no oil or other natural resources, most of its water and food imported, and its trading partners thousands of miles away. Yet this small British colony has broken the vicious cycle of poverty and become the second most prosperous country in the Pacific Basin.

Since 1965, the 23 economies of East Asia have grown faster than all other regions of the world. The high-performing Asian economies have experienced extremely rapid growth and rising incomes. The proportion of people living in absolute poverty has dropped sharply. Life expectancy has increased from 56 years in 1960 to 71 years in 1990.[1]

The Cause of the Miracle

Why have American economists ignored until recently these economic success stories? Perhaps because the Asian development model does not fit neatly into the Keynesian framework and policy prescriptions, which favor high levels of consumption, debt, and government spending. In almost all of the rapidly growing economies in East Asia, the degree of government taxation and central planning has been relatively low, savings rates excessively high by Keynesian standards, government budgets normally in surplus, and the welfare state relatively small. As the World Bank concluded in its 1993 study, "the rapid growth in each economy was primarily due

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to the application of a set of common, market-friendly economic policies, leading to both higher accumulation and better allocation of resources."[2]

Krugman's Challenge

Now along comes Professor Paul Krugman to throw water on the whole idea of an Asian miracle. Krugman, who recently moved from MIT to Stanford University, is the darling of the establishment media and is referred repeatedly as a brilliant *wunderkind,* the next Nobel Prize winner, and according to *The Economist,* "the most celebrated economist of his generation."

According to Krugman, there is nothing miraculous about Asian economic growth. It is *déjà vu,* a reminder of the incredible growth rates of the Soviet Union in a bygone era (1920–1990). Krugman sees "surprising similarities" between East Asia and the former Soviet Union. Both engaged in an "extraordinary mobilization of resources." In the case of the Soviet Union, Krugman notes, "Stalinist planners had moved millions of workers from farms to cities, pushed millions of women into the labor force and millions of men into longer hours, pursued massive programs of education, and above all plowed an ever-growing proportion of the country's industrial output back into the construction of new factories."[3]

According to Krugman, East Asian leaders have been just as authoritarian, pushing more of the population to work, upgrading educational standards, and making an awesome investment in physical capital. In short, East Asia is just like the Soviet Union, "growth achieved purely through mobilization of resources."

Moreover, like the Soviet Union, growth in East Asia is likely to diminish, due to limits on labor and capital. Krugman states, "it is likely that growth in East Asia will continue to outpace growth in the West for the next decade and beyond. But it will not do so at the pace of recent years."[4] Asia is subject to the law of diminishing returns.

The Tyranny of Numbers

I have serious reservations about Krugman's ivory-tower analysis of the Asian miracle. First, his comparison to the Soviet Union is attention-getting, but fundamentally flawed. The Soviet Union was primarily a command economy, the Asian nations free economies. The Stalinists engaged in grim industrialization and militarization at the expense of the Soviet standard of living. In this sense, Soviet growth statistics were largely fictitious. As Soviet expert Marshall Goldman stated in the early 1980s, "This system keeps producing steel and basic machine tools, when what is wanted is food, consumer goods, and more modern technology."[5]

On the other hand, the Asians mobilized resources by producing an increasingly sophisticated range of products demanded by international markets, and thereby increased dramatically their own standard of living.

The Lessons of Asia

Finally, Krugman misses the bigger picture. The real question is: Why have so few developing countries outside the Asian region been able to produce their own miracles? And what can industrial nations such as the United States and Europe learn from the Asian miracle?

The answer is clear. The Asian economies have grown rapidly for a number of reasons. First, they are largely market-friendly, avoiding wage-price controls and excessive regulation of business. Second, they encourage macroeconomic stability (avoiding high levels of inflation and budget deficits), limit government activism, and discourage social welfare schemes. Third, they offer stable and secure financial and legal systems. Fourth, they promote high levels of saving and capital investment rather than high consumption spending. Fifth, many East Asian nations offer tax holidays for export-oriented businesses and impose few (if any) taxes on investments. Sixth, they are

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open to global technology and foreign capital.

Granted, many East Asian countries limit civil liberties, engage in industrial planning, and restrict imports, but overall the degree of government intervention is relatively low.

Many developing countries in Latin America and Africa are adopting many free-market reforms and creating their own miracles. The industrial nations could regain their traditional growth rates by adopting a large dose of supply-side economics, cutting taxes on business and investment, privatizing Social Security, promoting better education and training, streamlining regulations on business and employment, and eliminating the federal deficit. As Ludwig von Mises concludes, "it is one of the foremost tasks of good government to remove all obstacles that hinder the accumulation and investment in new capital."[6] □

1. For an excellent survey of the region, see *The East Asian Miracle* (The World Bank, 1993).
2. *Ibid.*, p. vi.
3. Paul Krugman, "The Myth of Asia's Miracle," *Pop Internationalism* (MIT Press, 1996), p. 173. Originally published in *Foreign Affairs* (Nov./Dec., 1994).
4. *Ibid.*, p. 184.
5. Marshall Goldman, *USSR in Crisis: The Failure of an Economic System* (New York: W. W. Norton, 1983), p. 2.
6. Ludwig von Mises, "Capital Supply and American Prosperity," *Planning for Freedom*, 4th ed. (South Holland, Ill.: Libertarian Press, 1980), p. 214. I highly recommend this talk on economic development, given by Mises in 1952. □

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BOOKS

The Lost City: Discovering the Forgotten Virtues of Community in the Chicago of the 1950s

by Alan Ehrenhalt

Basic Books • 1995 • 310 pages • $24.00

Reviewed by Stephen J. K. Walters

Can individuals have too much freedom? Can markets serve up too many choices for consumers? Do we need more "authority" in the America of the '90s?

In *The Lost City*, Alan Ehrenhalt answers these questions affirmatively; he blames our '60s-era rejection of authority and enshrinement of personal choice as the most important of life's values for the lost sense of community that today makes our cities nightmarish and our suburbs sterile. Those who cherish liberty might be tempted to ignore such views, or dismiss them as the tired rantings of a reflexive statist or deluded nostalgic—the kind of person who, had he been born in Rome rather than Chicago would be pining for the good old days when Mussolini made the trains run on time.

But those who ignore *The Lost City* will miss an entertaining and stimulating book. Ehrenhalt may not be much of a political economist or philosopher, but he is a top-flight journalist. His vision of the '50s never veers into fuzzy sentimentalism; it is clear-eyed, objective, and wide-ranging. Whether he is describing '50s life in a blue-collar enclave in southwest Chicago, in a bustling South Side ghetto, or in a leafy commuter suburb, Ehrenhalt has a talent for making you feel part of the time and place. His book is like an opened time capsule; after examining its holdings a while, you will be convinced—as Ehrenhalt is—that we have lost something precious since that capsule was sealed.

It is only when Ehrenhalt gets down to the task of diagnosing *how* our culture mutated—how "Ozzie and Harriet" devolved into "Married. . .With Children"—that he stumbles. His errors arise from widely shared presumptions and impulses, however, so it behooves those who respect markets and value freedom to take them seriously.

Consider, for example, Ehrenhalt's verdict that "The difference between the 1950s and the 1990s is to a large extent the difference between a society in which market forces challenged traditional values and a society in which they have triumphed over them." We hear echoes of this notion every day in the popular media's assertions that murderers kill because movies taught them to, that teens get pregnant because corporations use sex to sell their wares—even that the traditional values of loyalty and thrift have died because free-agent athletes change uniforms too readily.

But let's get real: the marketplace is culture's servant, not its master. The goods purchased in free markets do not determine their buyers' tastes, they reflect them. If the marketplace serves our cultural predispositions too well, blame not markets but ourselves.

The Lost City would have been incomparably better had Ehrenhalt not shied from identifying the true sources of America's cultural decay. In fact, he comes close. He notes the awesome cultural influence of the dissatisfied: "[T]he cultural images that come down to us as history are written . . . by the dissenters—by those whose strong feelings against life in a particular generation motivate them to become the novelists, playwrights, and social critics of the next." He just underrates the power of these malcontents' ideas; he fails to see that our repudiation of '50s mores and institutions has not been a triumph of the market but a mere intellectual mutiny. The at-home mothers Ehrenhalt credits with keeping '50s neighborhoods "glued together" and with seeing that the young avoided sin did not hustle off to office jobs because markets seduced them. Rather, they were seduced by Betty Friedan and others who taught them that women at home were oppressed—that Harriet Nelson was a myth or a sellout.

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In truth, the last few decades have been a huge lab experiment, the dissenters of the '50s and '60s deciding what next to put into the test tube. A little gender feminism here, some radical egalitarianism there, then some environmental deism. On and on we go, heaping intellectual fashion on academic conceit on untested social theory. Stir with the heavy hand of the State and get: the lost culture. For details, see Thomas Sowell's *The Vision of the Anointed.*

What should occupy us is this: Why does the marketplace of ideas not work as well as the one for autos or beer? Why is Susan Faludi better known than Hayek? Why is Ralph Nader a hero? Why is Paul Ehrlich not bankrupt? Considering such questions and studying the special attributes of the intellectual marketplace might be a necessary condition for the reconstruction of a civil society—or, at the least, might keep us from losing it once it is restored. □

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Hazardous to Our Health? FDA Regulation of Health Care Products

edited by Robert Higgs

Oakland, Cal.: Independent Institute • 1995 • 113 pages • $14.95 paperback

Reviewed by Doug Bandow

There was a time when people actually trusted the federal government. However, "I'm from the government and I'm here to help you" is now considered to be a top joke line, along with "the check is in the mail." Nowhere is the first line more appropriate than the Food and Drug Administration (FDA).

The FDA has long seen its mission as *restricting* the availability of such products, irrespective of the cost to the public. One estimate is that 200,000 people have died over the last three decades because the FDA prevented them from using drugs, many of which were available in other countries. Thousands more have died when denied access to medical devices. Hundreds of thousands of people suffered in small and big ways as the FDA prevented—and continues to prevent—doctors from providing safe and effective treatments.

It wasn't supposed to be this way, of course. In 1938 Congress empowered the FDA to monitor drug safety. However, the agency had to act within a specified time in order to block product sales and its impact on the pharmaceutical market was modest. But the FDA gained power over time, in what Robert Higgs of the Independent Institute calls "a process of 'punctuated politics.'" Although the agency itself has regularly sought to increase its power, the major expansions have been granted by Congress in response to perceived crises.

Probably the most celebrated example of this phenomenon occurred after the widespread international use of thalidomide, which generated birth defects. As a result, in 1962 Congress approved new legislation that greatly expanded the FDA's power. The agency could monitor efficacy (which had not been at issue with thalidomide) as well as safety, and could take as long as it wanted—years in some cases—to conduct its reviews. The FDA also began regulating clinical trials.

Unfortunately, as Higgs and his collaborators detail, this constant if episodic increase in FDA power has given an inefficient and unaccountable bureaucracy a stranglehold over the drug and device industries. When it comes to this agency, observes Higgs, "one encounters claims for what amounts to a variant of central planning that are virtually identical to the claims now recognized as discredited in relation to socialist central planning for the whole economy." No group of federal bureaucrats, however good their intentions, can determine the most appropriate and effective treatment for thousands of doctors and millions of patients.

But the issue is far more than efficiency. It is also morality. After all, what is more basic than the ability to decide one's own

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medical destiny? Observes Higgs, today the government "presumes to exercise control over people's lives that cannot possibly be justified unless one views people as having no more rights than the sheep in a flock."

The agency also regulates devices, some 6,000 of which are now used in diagnosing and treating patients. Only in 1990 did Congress allow the FDA to strictly control these products, but the agency quickly employed its new power: approval rates fell dramatically and backlogs became huge. Between 1991 and 1993, for instance, the review time for so-called 510(k) applications (simple requests for "substantially equivalent" devices) more than doubled. Reports Higgs, "the buildup of the huge backlog in 1992 and 1993 . . . led bewildered applicants to speak of a 'black hole' and 'eternal limbo.'"

Perhaps even more astonishing is how the FDA ignores the First Amendment in its zeal to control not just advertising, but the flow of any information from drugmakers to patients and doctors. Paul Rubin of Emory University tells the long, sad story. Aspirin manufacturers cannot inform consumers that use of their product helps reduce the risk of heart attacks. Pharmaceutical firms cannot distribute peer-reviewed journal articles on the use of approved drugs for other purposes that have not been specifically okayed by the FDA. Companies cannot underwrite the travel of doctors to discuss such uses, no matter how widespread. And much, much more. "By impeding the free flow of information," notes Rubin, "this set of policies also has substantial detrimental effects on health."

As *Hazardous to Our Health?* makes clear, the FDA's record is execrable, making reform imperative. Given the overwhelming incentives for the agency to inflate and misuse its power, administrative reform is no option. Higgs advocates abolishing the agency. Absent that, he suggests limiting the FDA to certifying drugs: "This change would curtail the agency's capacity to do harm while preserving its capacity—on the questionable assumption that it actually has such a capacity—to act beneficially."

Although a short volume, *Hazardous to Our Health?* ably makes the case for individual freedom. And that, ultimately, is the most important issue. Concludes Higgs: "Citizens who value liberty should have no trouble rejecting a system that simultaneously harms the public health and deprives citizens of their ability to make vital choices about their own health." □

Mr. Bandow is a Senior Fellow at the Cato Institute and the author of The Politics of Envy: Statism as Theology *(Transaction).*

A History of the Mont Pelerin Society
by R. M. Hartwell
Liberty Fund, Indianapolis • 1995 • 269 pages • $20.00

Reviewed by William H. Peterson

Ideas have consequences on the right and left. R. M. Hartwell of Oxford University and a recent Mont Pelerin Society president points to Britain's Fabian Society as a counterpoint to MPS, a worldwide group of 450 mainly economists dedicated to the ideas of freedom and free enterprise.

The Fabian Society, founded in 1884 and later a think-tank for the Labor Party, rejected outright Marxism while setting a successful organizational strategy—careful marketing of soft socialist ideas advanced slowly, by degrees. The basic idea: undercut private property rights.

It did so by pushing state-protected trade unionism and other state interventions such as social security and unemployment insurance. And it did so by claiming that capitalism worsens inequality and exploitation, that it is rife with robber barons and virtueless inheritors such as playboys.

Prominent Fabians included Ramsay MacDonald (later a Labor prime minister), H. G. Wells, George Bernard Shaw, and Beatrice and Sidney Webb (later Lady and Lord Passfield). By 1945 Fabian ideas triumphed. Churchill was out, and a postwar Labor Government boldly enacted cradle-to-grave welfarism and nationalization of basic industries such as coal and steel.

The Mont Pelerin Society was founded in

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1947 when state ascendancy and Marxist or Keynesian planning were sweeping the globe.

Principal organizer and longtime MPS president was F. A. Hayek, who stressed that MPS was to be a scholarly community arguing ideas against collectivism while not engaging in public relations or propaganda. At the first MPS meeting in Switzerland were Hayek, Karl Popper, and Lionel Robbins of the London School of Economics, Milton Friedman, Aaron Director, and George Stigler of the University of Chicago, Leonard E. Read and F. A. Harper of the Foundation for Economic Education, Henry Hazlitt of *Newsweek*, Ludwig von Mises of New York University, Bertrand de Jouvenel of Paris, Trygve Hoff of Oslo, and 27 other devotees of a free society.

The MPS declaration of aims included ideas on reaffirming and preserving private property rights, a moral code for both public and private activity, intellectual freedom, state behavior limited by the rule of law, and "the right of each individual to plan his own life."

Prominent MPS members who advanced to policy positions included Chancellor Ludwig Erhard of West Germany, President Luigi Einaudi of Italy, Chairman Arthur Burns of the U.S. Federal Reserve Board, and, currently, Prime Minister Vaclav Klaus of the Czech Republic. Eight MPS members, including Hayek, Friedman, and Stigler, won Nobel prizes in economics. And according to Martin Anderson of Stanford's Hoover Institution, of 76 economic advisers on Ronald Reagan's 1980 campaign staff, 22 were MPS members, including Anderson himself.

Hartwell also notes the MPS intellectual push for a free society has ever been uphill against counter-ideas. Even today government almost everywhere is still looked upon as the guardian of "social justice," the purveyor of "affirmative action," the regulator and restrainer of "unbridled capitalism," the educator of the young, the pensioner of the old, the compassionate redistributor of income and wealth from the "haves" to the "have-nots."

Hartwell also notes MPS members, if united on the idea of freedom, have had to deal with sharp internal differences over means. Substantive debates within the society have ranged over social security, public schools, economic development, the gold standard, compulsory arbitration as a way to head off strikes, Milton Friedman's idea of a negative income tax, and other welfare reforms. More than once, Ludwig von Mises, perhaps the most uncompromising MPS member, accused some MPS members of harboring socialist tendencies.

Hartwell believes MPS, along with dozens of regional free-market think-tanks it helped spawn across the globe, has changed the world for the better. He holds that, thanks to MPS as an intellectual venture, freer trade prevails, and few thinkers now boost state planning or question the superior efficiency of the market and its close tie to human liberty.

Hartwell's sometimes narrowly focused yet fascinating book on the role and duel of ideas is a clarion call for, in his words, "continued vigilance in the defense of the free market and in opposition to the omnipotent state."

The Hartwell MPS history gives rise to three conclusions: Thought precedes action. Think-tanks and ideas indeed have consequences. Ideas, good or bad, triumph in the end. □

Dr. Peterson is an adjunct scholar at the Heritage Foundation and the Distinguished Professor Emeritus of Business Philosophy at Campbell University in North Carolina.

An Endless Series of Hobgoblins: The Science and Politics of Environmental Health Scares

by Eric W. Hagen and James J. Worman

The Foundation for Economic Education • 1995 • 140 pages • $9.95 paperback

Reviewed by Robert H. Nelson

The idea of the scientific professional emerged in the progressive era around the beginning of this century. There should

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be a clear boundary, the founders of scientific professions said, between science and politics. Ever since, most scientists have believed, their role is to do careful research, publish it in scientific journals, and leave to others the dissemination of the results for decision-making purposes in government. Indeed, a scientist who was perceived as a "lobbyist" or "publicist" risked the disapproval of his or her professional colleagues.

Like so many other features of the progressive design, this separation of science and politics has not worked. When mainstream scientists refuse to assume active leadership roles, it leaves a vacuum that all-too-often is filled with all manner of hucksters and zealots. Those scientists who do speak out are often those with the strongest ideological blinders, while mainstream scientists are content to do research, publish in academic journals, and leave to others the dissemination of the results in the public arena. The end result, unfortunately, becomes "science by press release," leaving much of the public confused and poorly informed about many matters of vital importance to public health and welfare.

It thus is welcome that James J. Worman, professor of chemistry at Dartmouth College, has decided to review the current state of scientific thinking on several recent controversies in environmental policy. With his co-author, Eric Hagen, they report on three substances: Alar, asbestos, and dioxin.

Alar is a chemical available since the 1960s for preserving apples for longer periods, aiding in their marketing. In the early 1980s studies of mice fed massive doses of Alar showed cancer tumors. Based on these studies, the Environmental Protection Agency (EPA) in 1985 proposed a ban. However, EPA was forced to cancel this action when the agency's own Scientific Advisory Panel challenged the scientific validity of the earlier studies. Although new studies were done, they had many of the same problems. For example, the doses of Alar were so high that most mice died prematurely. As a result, it was impossible to say whether resulting cancers were due to general toxic effects of the Alar on the immune system, or were actually due to some cancer-causing characteristic of Alar.

Complicating matters, in rats Alar did not produce cancer at any dose. Moreover, when the dose for mice was cut in half—and was still equal to the equivalent of a person eating 14,000 pounds of apples per day for 70 years—no cancers showed up. By 1989 a United Nations panel including experts from most industrialized nations concluded that Alar was "not oncogenic [cancer-causing] in mice" and recommended Alar for use within an "acceptable daily limit."

Nevertheless, pressured by environmental crusaders, in 1989 EPA again proposed a ban. This was not enough for the Natural Resources Defense Council (NRDC), however. Taking matters into its own hands, NRDC enlisted actress Meryl Streep and the CBS television program *60 Minutes* to warn Americans that they should not eat apples. The resulting mass hysteria virtually wiped out apple sales for a time in some parts of the United States—and also eventually caused the removal of Alar from the market. In its national publicity campaign, NRDC asserted that Alar posed a risk 25 times greater than even EPA considered to be the case.

Furthermore, lost in all the controversy was fact that 95 percent of apples were not receiving any application of Alar at all. Editor Daniel Koshland of *Science* magazine was moved by the whole sorry episode to protest the use of "scare of the week" tactics and to warn the public that fund-raising and other incentives meant that "public interest groups have conflicts of interest, just as do business groups."

An Endless Series of Hobgoblins tells similarly depressing stories for asbestos and dioxin. It has been known for many years that exposure to significant concentrations of airborne asbestos fibers, most likely to happen in the workplace, causes cancer and other lung disease. Although the effects of much smaller exposures are still not known, many uses of asbestos were tightly controlled in the 1970s. Then, in the 1980s, attention turned to the lingering effects of past use of asbestos. Under pressure from

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the Sierra Club, Audubon Society, and other groups, Congress in 1986 enacted the Asbestos Hazard Emergency Response Act.

Although the Act did not directly require it, the very fact of its passage and other alarmist statements stirred exaggerated public fears, resulting in many school districts across the nation acting to remove any remaining asbestos in the walls and other parts of schools. Staggering costs—nationwide in the several billions of dollars per year—were incurred, often by financially strapped school systems. Yet, by 1991 EPA was stating that "removal is often not a school district's or other building owners' best course of action." Indeed, the removal process itself frequently left greater asbestos residues in the air—which would not disappear for many years—than had previously existed. The Occupational Safety and Health Administration (OSHA) projected seven casualties per 1,000 asbestos removal workers, likely to cause more total deaths among the workers than would be averted by the asbestos removal itself.

Dioxin is a chemical that is highly toxic for many animals. Yet, its impacts vary greatly from one animal to another; a guinea pig is 5,000 times as susceptible to dioxin as a hamster. Inadvertent experiments due to accidental releases of dioxin suggest that human beings may be among those species facing lesser risk, or even no risk. In the aftermath of an industrial accident in Seveso, Italy, in 1976 that dumped very large quantities of dioxin over the area, only 200 cases of chloracne have ever been definitively linked to this event. To be sure, the facts to the contrary did not inhibit *Newsweek* magazine in 1982 from reporting that there had been a large increase in birth defects.

Researchers have failed to find scientifically verifiable connections between cancer and exposure to Agent Orange (another dioxin) in Vietnam, even though the U.S. government agreed to distribute $180 million to those exposed. Vernon Houk, the government official responsible in 1983 for the dioxin evacuation of Times Beach, Missouri, in 1991 stated that he considered his own past decision a mistake. The controversy, to be sure, is continuing. Acknowledging that some past fears have not proven out, EPA still maintains that dioxin is a probable carcinogen. At the same time, leading scientists have concluded that "studies on dioxin have failed to produce any conclusive evidence that dioxin is a human carcinogen."

These events are familiar to many of those who follow U.S. environmental policy closely. Hagen and Worman do not break new ground, but they do provide well written summaries accessible to a general audience. *An Endless Series of Hobgoblins* adds to the rapidly mounting body of writings finding that this nation has wasted many tens of billions of dollars on minor or perhaps nonexistent risks. The public has been ill served on risk matters by government agencies, the media, environmental groups, and scientists too timid to speak out. It is to be hoped that more mainstream scientists will follow the example of this book in making their expertise on risk matters available for public benefit. □

Dr. Nelson is professor of environmental policy at the School of Public Affairs of the University of Maryland and senior fellow of the Competitive Enterprise Institute.

Human Action

by Ludwig von Mises

The Foundation for Economic Education • Fourth revised edition, 1996 • 907 pages • $49.95 cloth

Reviewed by Hans F. Sennholz

Human Action is the legacy of a genius, left to us and to be passed on from generation to generation. Most books, like their authors, are soon forgotten. *Human Action* lives, and its influence will live throughout the centuries. It is one of those books to which we return again and again—it never fails us, never ceases to instruct.

In the world of economic literature, *Hu-*

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man Action now holds the position which Adam Smith's *Wealth of Nations* used to occupy. Smith had derived his economic knowledge from universal propositions which he deemed clearly established. He proceeded from the assumption that nature has endowed man with a motivating power that prompts him to better his condition. And he accepted the axiom that the individual aiming only at his properly understood interests tended to promote the public good. Government and other institutions that interfere with the smooth operation of the natural order are bound to defeat their own end. Yet, the economics of Adam Smith encompassed only a small phase of the whole range of human action, only "economic action." Economics dealt with individual action as it was affected by the profit motive and economic selfishness. From Adam Smith to John Maynard Keynes, economics was a philosophy of the "economic side of man."

Professor Mises widened the scientific horizon and greatly enlarged the field of economics. On the foundation of classical economics and the teaching of his Austrian predecessors he presented a general theory of choice and preference in all human action, a more universal science which he called "praxeology."

Praxeology is a theoretical science which either deduces the ends from the application of certain means or, inversely, the means from the attainment of chosen ends. It shows man how he must act in order to attain definite ends. Praxeology thus derives substantive truths about man and his work. It is the science of every kind of human action. It applies to all ends and all means, both material and ideal, the sublime and the base, the noble and ignoble. Man arranges them in a single row, and subjects them to his preferences, to his individual scale of gradation and choice. Catallactic chores (i.e., exchanges) are embedded in this arrangement. No treating of economic problems proper can avoid starting from acts of choice; economics is merely a part, although the best developed part of the more universal science, praxeology.

Unfortunately, most economists still are blind to the general theory of human action. Like the Medieval philosophers and Mercantilistic economists before them, they continue to search either for the ultimate destiny of mankind or for the perfect society as they envision it. They do not search for the principle of praxeology which corrects old creeds, sweeps away erroneous notions, and discloses universal laws. □

Dr. Sennholz is president of The Foundation for Economic Education.

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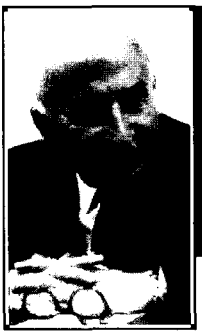

HUMAN ACTION
A Treatise on Economics

by Ludwig von Mises

Fourth revised edition, with a new introduction by Bettina Bien Greaves

In this seminal work, one of the most brilliant thinkers of our time examines the basic principles that underlie the entire scope of human action. Revolutionary when it first appeared, controversial to this day, ***Human Action*** represents the culmination of Ludwig von Mises' lifelong quest to present economic theory as a true science. Considered by many to be the counterweight of Marx's *Das Kapital*, ***Human Action*** is the magnum opus of a genius.

Ludwig von Mises (1881–1973) was the most celebrated advocate of capitalism and critic of socialism of his time. He was the acknowledged dean of the "Austrian" school of economics and the teacher of F. A. Hayek and many other influential economists and social scientists. Mises is now universally acknowledged as one of the fountainheads of the worldwide movement toward individual liberty.

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"In brief, the teaching process, as commonly observed, has nothing to do with the investigation and establishment of facts, assuming that actual facts may ever be determined. Its sole purpose is to cram the pupils, as rapidly and as painlessly as possible, with the largest conceivable outfit of current axioms, in all departments of human thought—to make the pupil a good citizen, which is to say, a citizen differing as little as possible, in positive knowledge and habits of mind, from all other citizens. In other words, it is the mission of the pedagogue, not to make his pupils think, but to make them think right."

—H. L. MENCKEN

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